

The complaint

Mr K complains that Barclays Bank UK PLC blocked and closed his account without providing an explanation. Mr K also says Barclays took too long to return his closing balance back to him.

Mr K wants compensation for the financial losses and inconvenience this caused him.

What happened

Mr K had a current account with Barclays.

In September 2023, two payments for £50,000 and £44,000 were made to Mr K's account.

Following this Barclays decided to review how Mr K was operating his account. Whilst it completed its review Barclays blocked Mr K's account.

On 21 September 2023, Barclays made the decision to close Mr K's account immediately and wrote to Mr K to let him know he'd need to make alternative banking arrangements. Barclays also asked Mr K to provide information to show he was entitled to the closing balance of the account, which at the time was just over £44,000.

Mr K told Barclays that his account balance was made up of money he'd received from his brother and that he was intending to use the funds to invest in cryptocurrency on behalf of his brother. Barclays asked Mr K to provide evidence to support his explanation.

After some back and forth Mr K provided Barclays with his brother's bank account statement to show where the money in his account had originated. Over the coming weeks Mr K rung Barclays on numerous occasions and sent them emails seeking an update on what was happening with his account. He told Barclays that he needed access to the funds as soon as possible and that each day was costing him money through lost investment opportunities due to the change in cryptocurrency prices. And he pointed out that his brother was also a Barclays customer, so it should have been easy for the bank to check everything.

Barclays reviewed the information and on 29 November 2023, told Mr K that he could have access to his funds if he attended a branch with identification. Mr K did this on 1 December 2023.

Mr K raised a complaint. He said he wanted Barclays to explain why it no longer wanted him as a customer and to pay him compensation for the trouble and upset the block and closure had caused him. He also said he'd lost out financially because of the time Barclays took to release his account balance back to him.

In response, Barclays said that it hadn't done anything wrong. And it wasn't obliged to provide Mr K with the reasons it had decided to close his account. So it didn't uphold Mr K's complaint.

Unhappy with this response Mr K brought his complaint to our service. He said Barclays should have released his funds sooner and that he'd been a good customer of the bank for more than twenty years. So, he can't think of a legitimate reason for why the bank closed his account. He said Barclays should compensate him for the difference in the market price for the cryptocurrency at the point his account was frozen up to when the funds were released to him.

One of our investigators looked into Mr K's complaint. After looking at all the information the investigator said that Barclays hadn't done anything wrong when it had closed Mr K's account without notice. However, he thought Barclays had taken too long to return Mr K's money to him. To put things right he said Barclays should pay Mr K £300 compensation and 8% interest on Mr K's account balance between 26 October and 1 December 2023.

Barclays agreed. Mr K didn't. He said he lost a significant amount of money due to the time it took Barclays to release his account balance, because he wasn't able to invest it as he'd hoped. So, he wants more compensation.

As no agreement could be reached the matter came to me to decide. After reviewing everything I issued a provisional decision in which I said the following:

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all of Mr K's submissions.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Barclays has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr K, but I'd like to reassure him that I have considered everything.

I'll deal first with the block, review and closure of Mr K's account. Barclays has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to protect people from financial harm and to detect and prevent financial crime. That sometimes means banks need to review, or in some cases go as far as closing customers' accounts. And that's what has happened here.

I've considered the basis for Barclays' review, which I find was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Barclays acted fairly and reasonably when it completed its review of Mr K's account. The terms and conditions of the account also make provision for this. The end result of the review was that Barclays decided they didn't want to provide banking facilities to Mr K anymore and issued the notice to close in September 2023.

I've next gone on to consider whether Barclays acted fairly when it closed Mr K's account. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

In doing so, I appreciate that Barclays is entitled to set their own policies and part of that will

form their risk criteria. It is not in my remit to say what policies or risk appetite Barclays should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Barclays has provided some further details of its decision making process, which led to the closure of Mr K's account. I'm sorry but I can't share this information with Mr K due to its commercial sensitivity. Barclays have relied on the terms and conditions when closing Mr K's account. I've reviewed the terms and they explain that Barclays can close an account for any reason by giving two months' notice. In certain circumstances, Barclays could also close the account without notice, as it did here.

For Barclays to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, including the information Barclays has provided to this service in confidence, I'm satisfied that Barclays did. And that it was entitled to close the account as it's already done. So, it would not be appropriate for me to ask Barclays to pay Mr K compensation since I don't find Barclays acted inappropriately when it closed the account.

Of course, I can understand Mr K wants Barclays to explain the reason it blocked and closed his account. But Barclays doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr K the reasons behind the account review, as much as he'd like to know. And to share the reasons behind its decision to end its relationship with Mr K. So, it wouldn't be appropriate for me to require Barclays to do so now.

The crux of Mr K's complaint is how long Barclays took to release his closing balance back to him. Mr K has said that he was constantly chasing Barclays for updates about when the funds would be returned to him. I can see that Barclays closed Mr K's account on 21 September 2023, and asked Mr K to provide proof of entitlement to the funds in the account. After some back and forth, Mr K did this on 26 October 2023. Following this Barclays reviewed the information and made the closing balance funds available to Mr K on 29 November 2023, so just over a month later, which I appreciate is a long time

After considering what Mr K has said and the content of Barclays's review, which includes the information Barclays has provided to our service in confidence, I don't find awarding Mr K compensation would be fair or appropriate.

I understand Mr K would naturally want to know the information I have weighed in order to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook. Accordingly, I have accepted information in confidence which I am not disclosing to Mr K. And the description of that information is that it's of a nature which justifies Barclays's review, and which has led me to decide that awarding Mr K compensation would not be a fair or appropriate outcome for any of the matters Mr K has brought as part of this complaint.

So, I'm not requiring Barclays to compensate Mr K for any inconvenience or financial loss that he, may have experienced as a result of the time taken by Barclays carrying out its review, and the further dissatisfaction Mr K experienced which ultimately flowed from not having access to the funds in his account, including his unhappiness with Barclays's communication and the information it didn't provide to him.

In summary, I realise Mr K will be disappointed by my provisional decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude Barclays has treated Mr K unfairly. So, I won't be directing Barclays to do anything to resolve his complaint.

Barclays accepted my provisional decision. Mr K didn't respond.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party has provided anything new for me to consider, I see no reason to depart from my provisional findings. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 December 2024.

Sharon Kerrison
Ombudsman