

## **The complaint**

Mr B complains that Barclays Bank UK PLC blocked and then closed his accounts in January 2024. It then did not release funds to him until October 2024.

## **What happened**

On 22 January 2024 Barclays blocked Mr B's accounts with it, while it conducted a review. On 30 January 2024 it wrote to Mr B to say that it would be closing his accounts with immediate effect. The bank explained to Mr B how he could recover the money in the account – subject to providing proof that he was entitled to it.

Mr B sent what he considered to be proof of entitlement to the funds. It appears that the evidence he sent comprised mainly copies of bank statements from people who had paid funds into his account. The largest payment was from Mr B's own account with a different provider.

Barclays did not, however, release the funds and Mr B referred the matter to this service. Funds were released on 17 October 2024.

One of our investigators asked the bank to provide more information and to explain what further information it needed from Mr B. Barclays then reviewed again what had happened and noted that it had in fact had sufficient evidence to enable it to release funds by about 14 March 2024. It said that it would have taken a short while to review the documents which Mr B had sent at that time, but it accepted that it should have released the funds by 4 April 2024. It offered to pay interest at 8% on the withheld funds from 4 April until 17 October 2024.

The investigator thought that offer was broadly fair, but recommended in addition that Barclays pay Mr B a further £150 in recognition of the inconvenience to which he had been put and the inconvenience he had suffered.

Barclays accepted the investigator's recommendation, but Mr B said that he had suffered financially as well. He had had to cancel a trip and insurance had been withdrawn from him. The case was therefore passed to me for further consideration.

## **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.

Banks and other account providers can, and in some cases may be obliged to, review customers' accounts. It will often be appropriate to restrict or block accounts while any such review takes place. A review may be of individual transactions or be a wider general review of an account's operation.

I am satisfied in this case that Barclays acted fairly in deciding to review Mr B's accounts and to restrict them while it did so.

It is also for banks to decide, as a matter of their own commercial judgment, whether to provide, or to continue to provide, account services for any particular customer. This service won't generally intervene in such decisions, as long as they are legitimately made. I see no reason to do so here.

Banks should give reasonable notice before closing an account. What is reasonable depends on the circumstances, but I am satisfied in this case that it was reasonable of Barclays to take the decision to close Mr B's account with immediate effect.

I turn then to the delay in returning funds to Mr B. Barclays accept that Mr B provided the information it needed on 14 March and that it should therefore have reviewed matters and released funds by no later than 4 April 2024. I agree with that assessment.

The usual remedy where someone is deprived of funds is to award interest on those funds, and that is appropriate here. I agree that a rate of 8% a year is appropriate too – in line with this service's usual practice and the rate that is usually applied to court judgments. The investigator's assessment that Mr B should receive a further £150 is also fair in my view.

I note what Mr B has said about the effect on him (and on his finances) of having his account closed. However, since I think that the bank acted fairly in closing his accounts, I do not propose to make any further award in respect of that.

### **My final decision**

For these reasons, my final decision is that, to resolve Mr B's complaint in full, Barclays Bank UK PLC should pay him interest on all sums withheld from him from 4 April until 17 October 2024. Interest should be paid at 8% a year simple. In addition, Barclays Bank UK PLC should pay Mr B a further £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 March 2025.

Mike Ingram  
**Ombudsman**