

Debanking complaints surge in new figures published by Treasury Committee

21 April 2024



New data published by the Treasury Committee shows the number of complaints received by the Financial Ombudsman Service related to debanking has increased by 69% since the financial year 2020/21, rising from 2281 to 3858 in 2023/24.

- [Treasury Committee](#)

There has been a particular spike in the last year, with the figures released today showing a 44% increase between 2022/23 and 2023/24. This includes an 81% year-on-year surge in the volume of debanking complaints made by businesses (367 complaints in 2022/23 to 666 complaints in 2023/24).

The figures are revealed in a letter sent to the Treasury Committee by Abby Thomas, Chief Executive of the Financial Ombudsman Service (FOS). The FOS settles complaints between consumers (including small businesses) and financial services firms.

Data included in the correspondence shows an increase in the proportion of complaints which were upheld by the FOS. 36% ruled in the complainant's favour in the most recent year, compared with 27% or below in each of the previous three years.

The FOS also shared data on the number of complaints they've received in relation to 'restricted account closures'. This refers to cases which involve financial crime concerns, money laundering concerns or where the complaint involves a politically exposed person. Since 2020/21, the volume of complaints related to restricted account closures has almost trebled.

In February, the [Committee highlighted](#) that more than 140,000 business accounts had been closed by major banks.

The Committee has been looking closely at the issue of de-banking in relation to its [inquiry into whether small and medium-sized businesses have adequate access to financing](#).

Chair's comment

Chair of the Treasury Committee, Dame Harriett Baldwin, said:

"When we set out on our inquiry into financing for small and medium-sized businesses, we weren't necessarily expecting de-banking to emerge as a key issue. But as they say, you must go where the evidence takes you - and it's clear there is evidence that some legally operating businesses are being unfairly de-banked.

Banks should be doing all they can to support small business in this country, not pulling the rug out from beneath them with little warning.

I expect our report will have something to say about what we've uncovered."

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