

British Expats in Europe Lose their UK Bank Accounts and Credit Cards



Lloyds, Barclays and Coutts are some of the UK banks that have already started sending notices to expatriate customers to say they will close their accounts at 11pm on 31st December 2020.

The end of the UK/EU withdrawal agreement creates administrative mayhem for UK banks which currently provide services for British customers in the EU post-Brexit, and many are simply choosing to stop providing their services.



Lloyds Bank has already confirmed (in the Sunday Times) it will be withdrawing services from Holland, Slovakia, Germany, Ireland, Italy and Portugal, affecting some 13,000 British customers.

The bank has been writing to customers in these countries since August, to allow them enough time to arrange alternative banking services (presumably with local banks).

Other banks are deciding which EU countries to withdraw from, and which to continue operating in. Barclays is also writing to banking and credit-card customers living in the EU. Its customers living in Spain, France and Belgium have received notice their Barclaycards will be cancelled.

No doubt some expats will be providing their banks with the UK addresses of friends or relatives, in order to keep their British accounts.



It is understood that the EU has refused to negotiate post-Brexit banking rules, so the current passporting will no longer apply. This leaves UK banks to negotiate the specific banking rules of some or all 27 EU member states and apply for licenses in each country.

It is not too surprising that UK banks are choosing to simply withdraw and are closing their customer's accounts.

I suppose the provision of banking services is a simple commercial calculation for the banks concerned, and they will need to consider the size of their customer-base in each country, and the profitability of those customers, as well as the compliance costs associated with each country's regulations.

This seems to be similar to the situation faced by global financial companies a few years ago, when faced with the American '2010 Foreign Account Tax Compliance Act (FATCA)', when we saw many international banks and other financial services providers close the accounts of Americans, rather than deal with the additional cost and work needed to comply.