

## **The complaint**

Mr J complains that National Westminster Bank Plc blocked and closed his accounts.

## **What happened**

Mr J had several accounts with NatWest.

In February 2020, NatWest reviewed Mr J's accounts. Whilst it completed its review it blocked Mr J's accounts – meaning he wasn't able to use them. Following its review NatWest decided to close Mr J's accounts and wrote to him giving him 14 days' notice.

Mr J complained to the bank about his accounts being blocked and then closed. Mr J felt he'd been unfairly treated by the bank. It hadn't told him why it had closed his accounts and because of the block he'd missed making a loan payment in early March 2020 so was worried about his credit file.

NatWest said it had hadn't done anything wrong and had closed the accounts in line with the terms and conditions. And it had arranged for Mr J to make his loan payment later in the month it had been due. Unhappy with this response, Mr J brought his complaint to our service where one of our investigators looked into things for him.

The investigator didn't think the bank had done anything wrong when it had closed Mr J's accounts. And explained that the bank wasn't obliged to provide its reasons for no longer wanting Mr J as a customer. Mr J disagreed and said the bank hadn't treated him fairly. He wants the bank to provide a proper explanation why it closed his accounts.

As no agreement could be reached the matter has come to me to decide.

## **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.

Firstly, the investigator was right to point out that NatWest has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened. To comply with its obligations NatWest may need to review an account and/or restrict its customer's access. And conduct various security and credit checks as part of its customer due diligence measures. Our role is to see if the bank has made any mistakes and then put the customer back in the position they'd have been in if the mistake hadn't happened.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for NatWest to block Mr J's accounts. The bank has explained that this was its standard procedure, and I accept that it was. So, whilst I accept this caused Mr J inconvenience, I can't say NatWest treated him unfairly when it blocked his accounts.

I then turn to the bank's decision to close Mr J's accounts. As the investigator explained, it's generally for banks 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 a customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. I'm satisfied here that the bank's decision to stop providing Mr J with banking facilities was reached legitimately.

Banks should however, give reasonable notice before closing an account. Usually, that means 60 days, but it can be less depending on the circumstances. In this case, Mr J's accounts were blocked from the end of February 2020; he was unable to gain access to the funds in them or use the accounts. Whilst the accounts were formally closed in the middle of March 2020 (with 14 days' notice) I believe they were effectively closed in February 2020 – since after that time Mr J couldn't use them. Having looked at the information the bank relied on to close Mr J's accounts, in my view that was reasonable. So, it was entitled to close the accounts as it has already done. Of course, I can appreciate it would've been quite upsetting to Mr J discovering he couldn't access his bank accounts, but I'm aware Mr J had access to other bank accounts, so I think the impact of the immediate closure would have been reduced.

Mr J wants the bank to explain reasons why it decided it no longer wanted him as a customer. I can appreciate Mr J is upset and that he was caused inconvenience when the bank closed his accounts. But as the investigator has already explained, NatWest isn't obliged to provide Mr J with an explanation – as much as he'd like to know. So, I can't say NatWest has done anything wrong by not providing Mr J with this information. And it wouldn't be appropriate for me to require it do so.

Mr J has said that due to the block on his accounts he missed making a repayment to his NatWest loan account which was due at the beginning of March 2020. However, I can see that his was quickly rectified by the bank and the payment was processed a few weeks later. I can also see that the investigator has clarified that no adverse information has been recorded by the bank against Mr J for any late payments.

In summary, I appreciate that it was inconvenient for Mr J when NatWest blocked and closed his accounts. So, I realise he will be disappointed by my decision. But overall, I don't believe NatWest acted unreasonably or treated Mr J unfairly in taking the actions it did. It may be that the bank will need to discuss the repayment of any outstanding debts he owes, but I make no comment on that here – save to remind NatWest of its obligations if he is having difficulty paying.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 3 June 2021.

Sharon Kerrison  
**Ombudsman**