

The complaint

Miss P and Mr R complain National Westminster Bank Plc (“NatWest”) unfairly closed their accounts in 2018, didn’t return all the funds held, and have provided poor customer service.

To put things right, Miss P and Mr R want their funds returned and compensation for the poor service.

What happened

In 2018, NatWest reviewed Miss P and Mr R’s accounts and decided to withdraw their banking facilities. Miss P and Mr R made enquiries at that time to withdraw their funds.

In 2020, Miss P says she was reviewing her personal details and recalled they had not been repaid the residual funds held in their closed NatWest account. As a result she complained to NatWest.

NatWest told Miss P and Mr R it was holding onto some funds, but it would need a particular form completed in branch for them to be released. Miss P says she then went into branch and staff were not able to help her as they didn’t know what form she was talking about.

It appears several calls and correspondence were exchanged between NatWest and Miss P and Mr R about the matter. A few months later NatWest explained there wasn’t any remaining funds to return as they had been withdrawn in 2018.

Unhappy with what NatWest said Miss P and Mr R referred their complaint to this service. One of our Investigator’s then looked into the matter.

I’m aware there have been several responses between this service and Miss P in which our Investigator’s and NatWest’s position has changed. To keep matters simple, I’ll summarise the most contemporaneous outcome and points:

- NatWest reviewed and withdrew Miss P and Mr R’s banking facilities fairly and in line with its terms and conditions
- They were satisfied the full closing balance was removed at one of NatWest’s branches by Mr R in 2018
- NatWest should have told Miss P and Mr R earlier in 2020, when asked, that the funds had been returned and not incorrectly told them funds were remaining. Because of this NatWest later offered £100 for poor customer service and any trouble and upset caused. Our investigator said this offer was fair

Miss P and Mr R disagree. They question whether their account was settled in full and if they had received all the funds which remained at closure.

It follows this matter has now been passed 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.

Having done that, I've decided to uphold this complaint in part. I'll explain why.

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Because of this I don't think NatWest did anything wrong when reviewing and restricting Miss P and Mr R's accounts.

A bank is also entitled to close an account just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which NatWest and Miss P and Mr R had to comply with, say that it could close the account by giving them notice. And in certain circumstances it can close an account immediately.

Having looked at the information given to me by NatWest - which I'm under no obligation to disclose - I'm satisfied it was entitled to close the account in the way that it has done.

Miss P and Mr R questioned whether they received any of their money back, and later questioned if they'd got it *all* back.

Firstly, I have seen the withdrawal slip from NatWest's branch records. Having compared the signature on this to Mr R's driving license, I'm persuaded it was most likely he that withdrew the money in 2018. So Miss P was wrong to say *they* had not received any money. The withdrawal amount also matches with screenshots and statements I've been sent by NatWest for the account.

There's been some confusion and ambiguity around whether the full funds were returned to Miss P and Mr R. Having looked at all the evidence available, I'm satisfied it was. In reaching this determination, I've taken into account the small overdraft on the account before a credit was made on the account – which I understand related to Mr R's income.

I've also accounted for funds transferred from a savings account held.

A sum of around £275 was also transferred to a 'suspense' account which was deducted from the final settlement. NatWest say this was used to off-set a debit balance for one of Miss P's accounts.

Miss P disputes having had another account. I've been sent records by NatWest which I'm satisfied shows she did have another account and that it was in a debit balance.

So, overall, I'm satisfied, as I've said, that NatWest did pay Miss P and Mr R the correct amount in 2018 to settle the accounts they held with it.

Lastly, it's clear NatWest made a mistake in 2020 when it told Miss P that it still held substantial funds in the account. NatWest also told Miss P and Mr R to go into branch to complete a form to get the funds released. This led to a sequence of events over several

months of correspondence, phone calls and branch visits before NatWest realised it had misguided Miss P and Mr R about holding, and therefore having, their funds.

Because of the distress and inconvenience this caused, NatWest offered Miss P and Mr R £100. I don't think NatWest needs to do anymore to put things right.

My final decision

I uphold this complaint in part, and direct National Westminster Bank Plc to pay Miss P and Mr R £100 compensation for the reasons given above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P and Mr R to accept or reject my decision before 8 April 2022.

Ketan Nagla
Ombudsman