

## **The complaint**

E, a limited company, complains about delays by National Westminster Bank Plc in closing a Euro bank account and transferring the balance. It asks for compensation for time spent and losses due to changes in the exchange rate. E is represented by its director (Ms C) and a representative (Mr D) authorised by Ms C to bring the complaint.

## **What happened**

Ms C contacted NatWest in June 2020 about closing E's Euro account. NatWest asked her to complete and return a form, which Ms C did by email. Ms C chased NatWest and made a complaint in October 2020 as the account hadn't been closed. NatWest said it hadn't received the form. The problem continued into early 2022.

Our investigator said NatWest should have been more proactive about explaining the problem with the form being received. She said NatWest should pay compensation for this.

Our investigator said Ms C could have transferred the funds while the account was open if she was worried about exchange rate changes. Our investigator said NatWest wasn't responsible for any losses related to changes in the exchange rate.

Mr D said the completed form had been provided to NatWest a number of times, NatWest lost the forms and their attempts to follow up with NatWest were ignored. He said this happened again when E made a complaint. Mr D said it wasn't possible to transfer the funds, and if they'd made a request it would have been ignored leaving the funds trapped. He considers this theft and says banks should be better supervised.

## **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.

I should first say that this service isn't a regulator and we aren't responsible for the supervision of banks. We provide an informal dispute resolution service. I should also say that where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Ms C contacted NatWest about closing E's euro account in mid-2020. She sent a completed form authorising the account closure. She gave instructions about where to send the account balance in a covering email. This was to a Euro account with another provider.

Ms C provided evidence she sent the form in June 2020, and reminders in July 2020 and September 2020. She sent the form again, after a complaint was raised on E's behalf in October 2020. NatWest gave Ms C the details of a staff member in the business banking team who would sort the matter out and ensure the account was closed without delay.

I don't doubt that Ms C sent the form, and the address on her emails looks to be correct.

NatWest says it didn't receive the form from Ms C, and can't explain why this was. NatWest couldn't act on or respond to instructions it didn't receive. But Ms C followed up her request, including with the complaints team. At some point it would have been reasonable for NatWest to look into what happened to Ms C's emails and why they weren't received. If this was due to a problem with NatWest's systems and this couldn't be fixed, it ought to have told Ms C this and discussed other ways for Ms C to provide the form or otherwise authorise the closure of the account. It could have followed up with Ms C when it didn't receive the form – especially after she'd raised a complaint and been told the matter would be dealt with. I think it's right that NatWest pays compensation for its poor service.

E's representatives ask for compensation for E's financial loss. They said E incurred bank fees. NatWest refunded fees related to a credit card and I haven't seen evidence of other fees incurred as a result of the delay closing the account. They also ask for compensation for E's losses due to changes in the exchange rate after June 2020. Ms C says this resulted in losses of about £2,000.

For me to find it fair to require NatWest to pay compensation for E's exchange rate losses I'd have to find that E's officers were unable to transfer money from the account due to errors by NatWest. I don't think that's the case.

Ms C told us that E receives some payments in Euros which were paid into its Euro account with NatWest, and this money was to be regularly converted into sterling. However, she says this was a slow manual process that involved her visiting her branch and completing forms. Ms C says she opened a Euro account with another provider to avoid this and because she says NatWest's exchange rate charges were excessive. Mr D says the process of transferring Euros from the NatWest account to E's Euro account with another provider was similarly laborious, requiring a visit to the branch. He said they repeated this process about 10 times over three years until all of E's clients made payments direct to E's other Euro account.

Ms C says she moved and visiting her branch was no longer practical. Ms C says she cancelled her credit and debit cards expecting the account to be closed. She forwarded an email she'd sent in mid-2020 referring to her request to close the account and saying she thought she'd no longer be able to access the Euro account online. Most likely though she would have been able to access the account, and she'd reasonably have known this once it became apparent the account hadn't been closed.

I don't think it's fair to say E's officers were unable to transfer funds out of its NatWest's Euro account. While the account remained open they were able to transfer funds in the same way they had previously. Ms C could have visited her branch, as she'd done previously. I appreciate her move made this inconvenient but NatWest wasn't responsible for that. NatWest says they could have transferred the funds via an online service or by sending a fax to its payment centre. Ms C or Mr D could have phoned and asked NatWest about their options.

Mr D says if they'd called NatWest they'd have been put on hold and then told to complete a form that NatWest would say it didn't receive. If there was evidence that E's officers tried to make a transfer and NatWest failed to action the request I might come to a different outcome. But I haven't seen any evidence that they did.

### **Putting things right**

Ms C's request to close E's Euro account wasn't actioned promptly. But this didn't stop her from transferring money from the account. I don't think it's fair and reasonable to require NatWest to compensate E for any losses due to changes in the exchange rate while the

funds remained in the account. Based on the available evidence, E didn't incur any bank charges due to the delay which haven't yet been refunded.

E is the account holder and the complainant. I can't usually require banks to pay compensation to third parties (such as Ms C and Mr D) or for their time or upset. E is a limited company and as such doesn't feel upset or frustrated. But as a limited company it relies on its directors and officers to manage its affairs, and I can award compensation for inconvenience caused to them, when acting in that capacity.

As I said, NatWest couldn't act on instructions it didn't receive. But it should have been more pro-active when it became aware there was a problem with it receiving emails from Ms C, and discuss other ways for her to provide the instructions. Its failure to do so caused unnecessary inconvenience to Ms C and Mr D, as they re-sent the form that NatWest still didn't receive. I think for the inconvenience this caused to them as officers of E, £250 is fair and reasonable in the circumstances.

### **My final decision**

My decision is that I uphold this complaint. I order National Westminster Bank Plc to pay £250 to E.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 15 November 2022.

Ruth Stevenson  
**Ombudsman**