

## **The complaint**

Mr C complains that National Westminster Bank Plc (“NatWest”) restricted and closed his bank account unfairly, and then took long to release the money held within it to him.

## **What happened**

Mr C held a personal current account with NatWest. Mr C is the director of a company, which I’ll refer to as “L”, which also banked with NatWest.

In early July, following a Bounce Back Loan application from Mr C on L’s behalf, NatWest began a review of the accounts held by Mr C and his company. The bank’s review of L’s facilities are the subject of a separate complaint.

Following its review, NatWest decided to withdraw its services from Mr C. The bank wrote to him on 9 July 2020 to say that it would be closing his account in 14 days’ time. It gave Mr C a “funds release form” to complete and return in order to transfer the account balance.

While the account remained open, NatWest had applied a restriction to it meaning that Mr C couldn’t access the balance of around £1,100. The account was belatedly closed on 25 August 2020, but the balance was only released to Mr C on 12 May 2021.

Our investigator thought Mr C’s complaint should be upheld in part. She said that NatWest had acted in line with its legal and regulatory obligations when reviewing and restricting the account. But she thought there had been an unreasonable delay in releasing the balance to Mr C. From what she’d seen, she thought NatWest had received Mr C’s funds release form on 19 February and that there was no reason for it to then have taken until 12 May to give Mr C his money. So she recommended that NatWest compensate Mr C for the impact of being without his money by paying 8% interest on it for this period along with £150 for the inconvenience it had been caused.

NatWest accepted our investigator’s view, but Mr C didn’t. So the matter was 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.

NatWest has a number of legal and regulatory obligations to meet in providing banking services to its customers. Banks are required to keep accounts and their use under review, and may need to suspend access or services in order to do so. The terms and conditions of Mr C’s account gave NatWest the power to take such steps.

NatWest has explained that it reviewed and restricted Mr C’s account in order to comply with its regulatory obligations and, from what I’ve seen, I’m satisfied that this was the case. So I don’t think it did anything wrong in reviewing its relationship with Mr C or – in light of the findings of its review – restricting the account until its closure.

In terms of the decision to close Mr C's account, that was a choice NatWest was entitled to make. The terms and conditions allowed NatWest to close the account immediately in certain circumstances and I'm satisfied that it was entitled to do so here. In the event, the account remained open but restricted, which amounted to much the same thing.

As I've not found that NatWest did anything wrong in reviewing, restricting or closing Mr C's account, it follows that I don't think it's responsible for any impact they might have had on him. So while I don't doubt that this will have been concerning and disruptive for Mr C, I don't think this is something that NatWest needs to compensate him for.

I do, though, think that NatWest delayed the release of Mr C's account balance unduly. The evidence I have suggests that the bank received Mr C's funds release form on 19 February 2021. It then didn't release the funds to Mr C until almost three months later, on 12 May. And I've not seen good reason for that.

As I've not seen that the matter caused Mr C any other financial losses, I think it is a matter of compensating him for being deprived the use of his funds for this period – which NatWest has now agreed to do by paying 8% simple interest, in line with our usual approach to matters of this nature. Mr C was also inconvenienced by having to chase matters up, including by way of complaint – for which I think the £150 that NatWest has also now agreed to pay represents fair compensation.

### **My final decision**

I uphold this complaint and require National Westminster Bank Plc to pay Mr C:

- 8% simple interest on the closing account balance for the period 19 February 2021 to 12 May 2021; and
- £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 October 2022.

Ben Jennings  
**Ombudsman**