



## **Complaint**

Miss H is unhappy that National Westminster Bank Plc (“NatWest”) closed her accounts and then denied her access to her funds.

## **Background**

In May 2021, NatWest took the decision to close Miss H’s two foundation accounts and her savings account. NatWest told Miss H that this was a course of action it was entitled to take and it didn’t need to provide her with a reason for its decision.

Miss H was unhappy with this and the fact that she was told it could take up to 60 days for her to be able to access the funds in her accounts. And she complained to NatWest about these matters. NatWest didn’t uphold Miss H’s complaint. Miss H remained dissatisfied and asked us to look into the matter.

One of our adjudicators looked into Miss H’s concerns. She thought that NatWest had treated Miss H unfairly and thought that it should pay Miss H £250 in compensation. NatWest didn’t respond to our adjudicator’s assessment so the complaint was passed to an ombudsman for a final decision.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having carefully considered matters, I’ve decided to uphold Miss H’s complaint. I’ll explain why in a little more detail.

In truth, having looked at matters here, I’m not entirely convinced that NatWest has even properly investigated, or even understands, what has happened in this case. I say this because its submission to our adjudicator said it had the right to close Miss H’s accounts, without providing her with a reason, because it provided with 60-days’ notice before doing so.

I accept that NatWest, or any other bank for that matter, is under no obligation to continue offering an account to a customer if it doesn’t wish to do so. And that NatWest may have been entitled to take the decision that it no longer wanted Miss H as a customer. But NatWest’s own terms and conditions required it to provide 60-days’ notice before closing an account. This is to allow a customer to make alternative arrangements with a different bank. And while NatWest has suggested it provided 60-days’ notice here, the screenshot it has provided as well as the template letter provided to show what Miss H is likely to have received, both suggest that NatWest only provided Miss H with 14-days’ notice before closing her accounts. And NatWest is only able to close a customer’s account with such short notice where it has a certain specified reason, listed in the terms and conditions, to do so.

Despite repeated requests NatWest has not provided Miss H, or us, with anything to show that the conditions for closure at such short notice existed here. For the sake of completeness, I'd also add that Miss H's foundation accounts appeared to be the equivalent of basic bank accounts. And basic bank accounts can only typically be closed, with 60-days' notice in certain specific circumstances, rather than without reason. NatWest hasn't showed that these reasons exist here either. That said, as Miss H has since been able to open a basic bank account elsewhere, I don't think it would be appropriate for me to require NatWest to reopen her foundation accounts.

Miss H has explained that NatWest closing her accounts immediately and without notice caused her a lot of distress. She had to manually move all her direct debits at short-notice and she was left without funds for a significant period. And even though, NatWest returned Miss H's funds within the 60 days specified in its terms and conditions, which seems an excessive period in circumstances where it only gave her 14 days to make alternative arrangements before closing her accounts in the first place, I'm mindful that Miss H will have experienced a significant amount of inconvenience given she was a single parent with a number of dependents.

Most importantly, I think that all of this would have been avoided if NatWest had treated Miss H fairly and reasonably and provided her with reasonable notice before closing her account, should it have been the case that it was entitled to. As this is the case, I think that NatWest should pay Miss H £250 in compensation for the significant distress and inconvenience its actions in unfairly closing Miss H's account without notice caused.

Overall and having considered everything, I'm satisfied that NatWest didn't have sufficient grounds to close Miss H's accounts with only 14-days' notice, if it was even entitled to close the accounts at all. As this is the case, I find that it was unfair for NatWest to close Miss H's accounts in the way that it did. So I'm upholding Miss H's complaint and NatWest needs to pay Miss H £250 in compensation.

### **My final decision**

For the reasons I've explained, I'm upholding Miss H's complaint. National Westminster Bank Plc should pay Miss H £250 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 August 2022.

Jeshen Narayanan  
**Ombudsman**