

## **The complaint**

Mr J complains that National Westminster Bank Plc restricted then closed his account with little notice. He said NatWest referred to the wrong terms, and he said none of the reasons in his terms and conditions that might allow NatWest to do this, applied in his case.

## **What happened**

Mr J said NatWest added a letter to his online banking, giving him 14 days' notice that it would be closing his account. Mr J said he knew NatWest didn't have to keep an account open for him. It could close his account if it gave him 60 days' notice. And he understood that there were specified reasons in the terms of his account which allowed NatWest to close an account with less than 60 days' notice. But he said that none of these applied to him.

Mr J was very concerned that, if NatWest had decided it could close his account right away, then it must be holding incorrect personal data about him. He was worried about how this could affect him in the future. He tried repeatedly to get NatWest to look again at what it had done, or to discuss it with him, but he said it refused.

Mr J said having his account closed like this was highly stressful. And he had continued to worry about this since, because he didn't know what information the bank had based its decision on, and who it might have shared that incorrect information with.

Mr J wanted NatWest to apologise for what it had done, ensure the data it held was accurate, and correct any mistaken information it had shared with third parties. And he thought NatWest should also pay compensation to reflect the distress it has caused.

NatWest said it couldn't share the reasons behind the closure of Mr J's account, but it said it hadn't changed its mind, and it didn't think it had done anything wrong.

Our investigator didn't think this complaint should be upheld. I won't set out his reasoning here, as I haven't adopted it.

Mr J didn't agree. He replied to say that NatWest had relied on the terms and conditions relevant to immediate closure, but he said that this wasn't consistent with treatment he'd received from another bank in the same group. He still thought that NatWest had breached the terms on the notice required to close an account.

Our investigator approached NatWest again, and it did then change its mind. It said it should have given Mr J 60 days' notice. It offered him £100 to make up for this.

Mr J didn't want to accept this, he wanted his complaint to be considered by an ombudsman, so it was passed to me for a final decision.

## **My provisional decision**

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Mr J says he understands that NatWest can decide to close his account if it no longer wants to offer him banking services. This doesn't appear to have been his primary account. He has said to NatWest that he intended to close the account himself anyway, and what he actually did was to switch this account to another bank. So I don't think Mr J is complaining about the fact that his account was closed.

Mr J was, however, very concerned about how NatWest took this step. He is aware of the reasons set out in the terms of his account that allow NatWest to restrict all banking services immediately, and the terms which allow it to close an account with no notice. Mr J has been clear that these reasons could not apply in his case. So Mr J's concern wasn't primarily that his account was closing, it was about what NatWest must have believed about him, in order to reach the view that it could close his account without giving 60 days' notice.

I've looked at the internal notes NatWest made when it decided to close his account, and it looks as if NatWest didn't intend to proceed in this way. Although it would no longer offer Mr J an account or any borrowing, it had decided to issue a letter giving him 60 days' notice of this decision, and to allow his banking facilities to remain active until account closure.

But that's not what NatWest did. Instead, it issued a letter which referred to the wrong account type. That letter told Mr J that NatWest had the right, under the terms of his account, to close his account straight away, but it would allow him 14 days before it closed the account. His banking facilities were restricted immediately.

Mr J tried repeatedly to get NatWest to reconsider. But, although there do appear to have been indications that this was a mistake (the reference to the wrong account type, the initial decision shown in its internal notes) NatWest persisted in this mistake. It wrote to Mr J twice to tell him it had done nothing wrong, and it continued to insist this for some time after this complaint came to us.

NatWest has now changed its mind. It says it should have given Mr J 60 days' notice. NatWest wanted to pay Mr J £100 to apologise for this, but Mr J didn't want to accept that. And I don't think that's quite the right amount to make up for what's gone wrong here.

Mr J was given very little notice that this account was going to close, and no access to the account during that time. He had to act quickly, and I can see that he put in place an account switch within this time to avoid the involuntary closure of the account. And Mr J told us that the rapid account closure caused him considerable concern, because he couldn't tell why NatWest had taken this step. He said he knew none of the reasons for immediate account closure could apply to him, but he couldn't rule out that he had been confused with someone else. So he worried that this might affect his wider banking arrangements. Mr J only found out relatively recently that this was all a mistake.

For those reasons, I think that NatWest should pay Mr J a little more compensation than it has offered. I think NatWest should pay £250 to make up for the distress and inconvenience that it has caused to Mr J.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both parties replied to accept my provisional decision.

**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.

Neither side has offered any additional evidence or argument in response to my provisional decision, and I haven't changed my mind. I'll now make the decision I originally proposed.

**My final decision**

My final decision is that National Westminster Bank Plc must pay Mr J £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 24 August 2022.

Esther Absalom-Gough  
**Ombudsman**