

The complaint

Mr and Mrs D complain about how National Westminster Bank Plc (NatWest) dealt with the closure of their account and about obtaining their money from the account.

What happened

Mr and Mrs D say their NatWest account was closed without their knowledge. They live outside of the United Kingdom and say they didn't receive any letters from NatWest about the account and if they had, then could have moved the money before the account closed. Mr and Mrs D say they provided NatWest with identity documents, but it said it could only send the money to a trust account in their names which would mean trying to find a bank that offered such an account. They would like £9,000 compensation for what took place and for the delays in receiving their money as well as for how their complaint was dealt with.

NatWest says it wrote to Mr and Mrs D and told them the account was closing as it no longer offered this type of account. It said it is entitled to close an account in line with account terms and conditions and sent a number of reminders. NatWest accepts it ought to have communicated far better with Mr and Mrs D about the return of their money. It has apologised and offered £500 compensation.

Mr and Mrs D brought their complaint to us, and our investigator thought the compensation offer should be increased by £200. The investigator thought NatWest was entitled to close an account and wrote to Mr and Mrs D to tell them that on a number of occasions. The investigator accepted there were communication problems by NatWest and that the money hadn't be returned.

NatWest says it will pay the further £200.

Mr and Mrs D don't accept that view and say the letters were sent to their UK address but addressed to the "trustees" not their names and so thought the letters were "junk mail". They say they have incurred significant costs as a result of not having access to their money and have had to borrow money at an interest rate of 5%.

I asked both sides for further information and asked NatWest to consider sending Mr and Mrs D's money by an alternative method which it has now done.

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 so I have come to the overall view that I uphold this complaint in part but think the total compensation offer of £700 is appropriate. I appreciate Mr and Mrs D will be disappointed by my decision and appreciate their frustration about the delay in them receiving their money.

I hope it assists Mr and Mrs D in understanding our role, that we are not NatWest's

regulator. So, it's not our role to punish it or direct it about the way in which it runs its business. I make that clear as I think it's up to NatWest to decide, if as here, it insists on sending money from a trust account to another trust account. But I make clear that I appreciate that if Mr and Mrs D were unable to open a similar account then on the face of it, they could not receive their money. I don't need to say anything more about that as NatWest has now sent Mr and Mrs D their money.

I'm satisfied that NatWest is entitled to close an account in line with account terms and conditions by providing notice and make a commercial decision as here to longer offer a certain type of account. I can see Mr and Mrs D accept that. I'm also satisfied that NatWest wrote to Mr and Mrs D about the account closure and I am unclear why it was thought the letters were "junk mail" when sent to the correct address. I can't fairly hold NatWest responsible for what Mr and Mrs D thought about the letters and find it was their responsibility to provide NatWest with their correct address. I also can't fairly hold NatWest responsible for all of the delay in Mr and Mrs D receiving the money as it provided at least six months' notice of closing the account and the access/receiving the money problems were largely caused by the account closure itself.

There is no dispute here that NatWest didn't deal appropriately with Mr and Mrs D after the account had been closed and could have provided far clearer information about the steps needed to access the money. But I can see NatWest accepts that and has apologised. So, the only real issue for me to decide is the compensation level.

I appreciate Mr and Mrs D say they have incurred "massive" costs and have been forced to borrow an equivalent amount to that in the NatWest account. I have not seen any evidence of such agreements or details of any such borrowings. I have also not seen any evidence of any financial cost caused by the delay in sending the money. I have also made clear that I think some delay was inevitable due to the account closing and the nature of it.

I accept that NatWest ought to have been far clearer in its requirements to Mr and Mrs D and I accept that caused fairly significant inconvenience which went on for some months. But I think NatWest's total compensation offer of £700 is fair and reasonable and in line with the type and amount of awards we make. I don't think Mr and Mrs D's request for £9,000 compensation is reasonable or in line with our awards. I have made clear that I have not seen evidence of any financial loss and I don't think it reasonable for NatWest to have checked with Mr and Mrs D if they received the letters or could have known they didn't.

Overall, I appreciate Mr and Mrs D are likely to remain disappointed with what took place, but I'm satisfied that £700 compensation is appropriate.

Putting things right

NatWest should pay Mr and Mrs D a total of £700 compensation and their acceptance of that offer would be in full and final settlement of this complaint.

My final decision

My final decision is that I uphold this complaint in part and order National Westminster Bank Plc to pay Mr and Mrs D a total of £700 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 22 April 2023.

David Singh

Ombudsman