

The complaint

Mr S complains about the information National Westminster Bank Plc (NatWest) requested to open a basic bank account. Mr S has told us he feels NatWest discriminated against him when it asked for a letter from HMRC confirming his National Insurance number instead of accepting the information included on his Biometric Residence Permit (BRP).

What happened

My initial conclusions concerning Mr S' complaint were set out in my provisional decision. I said:

Last summer, Mr S applied for a bank account with NatWest. Mr S has told us he was initially advised he wouldn't need documentation to apply. But during the application process, Mr S was asked for a copy of a letter from HMRC that confirmed his National Insurance number. But Mr S has explained that he doesn't have a letter from HMRC with that information and that his National Insurance number is recorded on his BRP instead. NatWest said it wasn't able to complete the application process without the letter from HMRC.

Mr S has explained that both branch staff and agents he spoke with on the phone were unaware of the documents he'd need to supply to complete an application. Mr S has also explained he felt discriminated against by the members of staff he spoke with and the information they provided about the documents required to open a bank account. Mr S complained to NatWest and it sent him a final response. NatWest apologised for the way Mr S' application was handled and the service provided. NatWest said Mr S was welcome to visit a branch to complete another application. NatWest said it would monitor Mr S' application and keep him updated if he chose to proceed.

An investigator at this service looked at Mr S' complaint. They upheld the complaint and said they thought NatWest should've accepted Mr S' BRP as evidence of his National Insurance number instead of insisting on a letter from HMRC. The investigator recommended that NatWest accept the BRP as proof of Mr S' National Insurance number, work with him to complete a new basic bank account application if he wishes to apply again and pay him £250 for the distress and inconvenience caused.

NatWest agreed to the investigator's recommendations and said it would assist Mr S if he chose to reapply. Mr S asked to appeal and said he didn't think the compensation offered fairly reflected the level of distress and inconvenience caused by NatWest's actions. Mr S explained that he'd been left without a bank account which meant he was unable to access benefits and that it still hadn't confirmed what documents were required to open a bank account. As Mr S asked to appeal, his complaint has been passed to me to make a decision.

What I've provisionally 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I'd also like to explain that the Financial Ombudsman Service is unable to make findings about whether discrimination has taken place in terms of the Equality Act 2010. That's a matter of law and only the courts have the power to make a decision of that nature. I have taken the relevant law into account in relation to Mr S' concerns and whether I think NatWest acted in a fair and reasonable manner. This involves taking a number of factors into consideration, including the provisions made in The Equality Act 2010.

When Mr S was asked for evidence of his National Insurance number he provided his BRP. The BRP is issued by the government and includes Mr S' National Insurance number on the back. I understand why NatWest wanted confirmation of Mr S' National Insurance number, but I think it ought to have taken a pragmatic approach when he explained he didn't have an HMRC letter as requested. Given Mr S had a government issued BRP with the information NatWest was seeking to verify, I agree it should've considered using that instead of insisting on a letter from HMRC.

Mr S has explained that he found the service provided in branch and over the phone to be poor and feels NatWest's staff discriminated against him during the application process. Mr S has explained that he feels NatWest treated him differently to other refugees due to the colour of his skin. And I can understand, given Mr S' experience, why he feels this way. In line with what I've said above, the Financial Ombudsman Service can't make a finding about whether NatWest discriminated against Mr S in terms of the Equality Act 2010 – we decide complaints on a fair and reasonable basis.

I think it's reasonable to note that NatWest appears to have requested the same information from Mr S as it asks other customers making applications for a bank account. I agree that NatWest's insistence on obtaining a specific letter from HMRC was unnecessary and that it failed to treat him fairly. But I haven't seen anything that shows NatWest's actions were deliberately targeted against Mr S – I think that this was a case where Mr S' application should've been handled better rather than anything else.

Mr S has also told us he felt phone staff made discriminatory comments and failed to provide guidance that was suitable for his circumstances. Unfortunately we haven't been able to listen to those calls. But I can understand how the information provided by NatWest made him feel, especially after being repeatedly asked to provide evidence of his National Insurance number when it was already available. And I can see how distressed Mr S was by the way his application was handled by NatWest.

In response to our investigator, Mr S advised that NatWest still hadn't provided a list of documents required to complete the account application. Our investigator asked NatWest to confirm what Mr S would need to submit. NatWest responded to say each application is handled individually and the documents required vary. But if Mr S is willing to apply again, NatWest has confirmed it will give him details of the documents it requires. As NatWest can't give a list of documents in advance, I'm satisfied it's given a reasonable alternative.

Mr S has explained he was left without a bank account and access to benefits when NatWest failed to take his application forward. As I've said above, I agree that NatWest

handled Mr S' application poorly. And I agree it ought to have considered using the BRP instead of insisting on a letter from HMRC. But I think it's fair to note that other businesses offer bank accounts, in line with the one Mr S applied for with NatWest. So Mr S had the option of applying elsewhere to open a bank account and obtain benefits payments.

The Refugee Council, a charity that works with refugees and people seeking asylum, offers information and support to refugees and has produced a guide to getting started with applying for a bank account. The guide provides information about how to apply for bank accounts. It's done so because it recognises that refugees face many barriers, including major barriers to opening a bank account. As the Refugee Council says they typically do not have the documents that most banks require to set up a bank account, and often have limited knowledge of how the UK banking system works and the options available to them. Housing can be a major issue too. There are other organisations and services that also provide support for refugees, details of which can be found online.

It's clear from what Mr S has told us that he encountered similar difficulties and that he was going through a very difficult situation at the time he applied to NatWest. And I'm satisfied the way his application was handled caused Mr S an unreasonable level of distress and inconvenience and, given everything else that was going on at the time, had a significant impact on him. I'm not persuaded that the current award of £250 feels like a fair way to resolve Mr S' complaint or reasonably reflects the upset caused and fallout for him. I think it's fair to say that, given his circumstances, Mr S should reasonably have expected NatWest to be more helpful. And I'm satisfied that declining to proceed with the application on the basis not having a letter from HMRC when a reasonable alternative was available has unfairly impacted Mr S.

In my view, a payment of £250 isn't a fair reflection of the level of distress and inconvenience caused by NatWest's actions. Having considered all the available information, I think a payment of £500 more fairly reflects the level of distress and inconvenience caused to Mr S at a very difficult time. So, I'm going to uphold Mr S' complaint and provisionally increase the award to £500 on that basis.

In addition to the above compensation, should Mr S wish to reapply, I'm also going to tell NatWest to work with him to complete a new basic bank account application and provide support.

I invited both parties to respond by 29 March 2023 with any further information they wanted me to consider before I made my final decision. Mr S confirmed he was willing to accept. We didn't hear back from NatWest.

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.

As neither party has provided new information for me to consider, I see no reason to change the conclusions I reached in my provisional decision. I still think Mr S' complaint should be upheld, for the same reasons. As a result, I'm going to proceed in line with my provisional decision and uphold Mr S' complaint.

My final decision

My decision is that I uphold Mr S' complaint and direct National Westminster Bank Plc to settle as follows:

- Should Mr S wish to reapply, NatWest should accept his BRP as evidence of his National Insurance number
- Should Mr S wish to reapply, NatWest should work with him to complete a new basic bank account application
- NatWest should notify Mr S if his application is successful. If not, NatWest should explain the reasons why
- Pay Mr S £500 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 April 2023.

Marco Manente
Ombudsman