

The complaint

Mr I complains that National Westminster Bank Plc closed his account and withheld his funds. He'd like his funds returned and compensation for the impact.

What happened

Mr I had an account with NatWest.

On 17 March 2021 NatWest wrote a letter to Mr I informing him they would be closing his account in 14 days. They also withheld the funds in his account. And they advised him to get access to his funds he'd need to complete a funds release form including new account details and certified identification documents.

Mr I sent the funds release form to NatWest on three occasions throughout April 2021. However NatWest advised that none of the submissions met their requirements – two of the forms didn't include identification and the third submission included a passport however this wasn't appropriately certified.

NatWest wrote to Mr I on 24 May 2021 advising him that he'd need to submit a further funds release form with certified identification. But Mr I didn't reply – and refused to engage with NatWest further.

Mr I wasn't satisfied with NatWest's decision to close his account, and their refusal to release his funds. He also complained about the way he was treated in branch when trying to obtain his funds.

NatWest reviewed Mr I's complaint. They thought they'd acted fairly when closing his account, but thought the staff hadn't acted appropriately when he'd visited the branch.

Mr I wasn't satisfied with NatWest's response so brought his complaint to our service.

One of our investigator's looked into Mr I's complaint. They thought NatWest had acted fairly in closing Mr I's account and restricting access. They thought that the request by NatWest for Mr I to complete a funds release form was fair, and as Mr I hadn't provided what was required they'd acted fairly in not releasing the funds. Our investigator also asked NatWest if Mr I could attend a branch to complete the funds release form and get his documents certified and the bank agreed. But Mr I didn't agree to do this.

But, our investigator didn't think the service NatWest had provided in branch was acceptable – and recommended NatWest pay Mr I £100 compensation.

NatWest accepted our investigator's recommendation, but Mr I didn't. In summary he said:

- He accepts NatWest are entitled to close his account, but he doesn't think it's fair they haven't shared their reasons with him
- He's had to abandon his studies because NatWest held on to his funds

- He won't sign any documents to retrieve his funds

As Mr I didn't agree it's been 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.

Account closure

NatWest are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. They can only close accounts in certain circumstances and if it's in the terms and conditions of the account. NatWest have relied on the terms and conditions when closing Mr I's account. The terms explain that NatWest can close any account by providing 60 days' notice. And in specific circumstances they can close an account by providing less.

Mr I's unhappy that NatWest won't share the reasons with him for the account closure – but the bank is under no obligation to do so. Our service has the power to receive information in confidence. I've reviewed the information provided and I agree NatWest have met their terms and conditions when providing Mr I 14 days' notice.

Restriction of funds

NatWest sent Mr I a letter on 17 March 2021 notifying him that they were closing his account by giving 14 days' notice. As part of the letter they informed Mr I he could obtain his funds by completing the funds released form and providing certified identification documents. I've seen evidence from NatWest that Mr I returned three funds release forms, however two didn't include identification and the passport that was returned wasn't certified. Mr I also advised he sent in a copy of his driving licence to NatWest, however this wasn't received. I understand the loss of this driving licence would be concerning to Mr I, but this isn't something I can either hold NatWest responsible for or say if it had been received it would make a difference to the funds being released. I say this because the driving licence wasn't certified, a requirement of the funds being released. Our investigator also contacted NatWest and asked if Mr I could attend a branch to provide the form and Identification – and NatWest agreed. However, Mr I refused to attend the branch.

I've thought about whether NatWest's actions in requesting the funds release form and certified Identification were fair – and I appreciate Mr I will be disappointed by this, but I think NatWest's requests were reasonable. If Mr I wishes to regain his funds he'll need to complete the funds released form, plus certified identification and either return this via post or in branch. If Mr I does so, I'd expect NatWest to release the funds to him.

Branch service

Mr I's explained to our service that NatWest staff were abusive when he visited his local branch. And in NatWest's final response they've accepted the service wasn't what they'd expect. Unfortunately I don't have any further details of what happened when Mr I visited the branch. Our investigator contacted Mr I and asked him for details about which branch he visited, and how staff behaved that he regarded as abusive, however Mr I refused to provide any further details. And NatWest haven't been able to provide anything further about the visit. Despite this, as NatWest have accepted the service was below the standard they'd expect I'm satisfied £100 compensation is fair.

Putting things right

For the reasons I've explained above I think NatWest should pay Mr I £100 compensation for the distress caused to him in branch.

My final decision

My final decision is I direct National Westminster Bank Plc to:

- Pay Mr I £100 compensation

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

Jeff Burch
Ombudsman