

The complaint

Mr L complains that National Westminster Bank Plc blocked and closed his account. He would like them to correct his credit file and reopen the account.

What happened

Mr L had accounts with NatWest.

NatWest following a review decided to close Mr L's account. They wrote to him on 10 March 2022 advising his account would close. Ten days later NatWest wrote to Mr L again to let him know they had made an error with the original letter, and he would receive further correspondence. Mr L could continue using his account. On 22 March 2022 a third letter was sent to Mr L confirming that his account would be closed and giving him 60 days' notice. Mr L wasn't given a reason.

Mr L's account was overdrawn by £5,432.99 at closure. Mr L says his credit file is showing him owing £11,878.

NatWest said that although they had made an error and sent the wrong letter on 10 March 2022, the bank had correctly decided to close Mr L's accounts and confirmed this in their letter of 23 March 2022.

Mr L complained to our service. One of our investigators looked at the case. She thought NatWest hadn't provided us with enough information to conclude that Mr L's account had been fairly closed. She also recommended NatWest correct the credit file and pay £100 in compensation for the errors made including putting the incorrect balance on his credit file.

NatWest accepted the view. Mr L didn't. He thought the compensation wasn't sufficient, he's seen others get higher amounts for similar reasons.

Mr L was also unhappy that he was being charged interest when the account was closed, and he mentioned NatWest hadn't requested payment of the overdraft.

NatWest agreed to correct the credit file in their post view correspondence.

As there was no agreement the matter has come 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.

NatWest has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing. To comply with its obligations NatWest may need to review an account and/or restrict its customer's access. The terms and conditions of Mr L's accounts also permit NatWest to review an account.

A bank is also generally entitled to close an account providing it's in line with the terms and

conditions of the account. In this instance the terms of Mr L's accounts say that in certain instances NatWest can close the accounts with immediate notice and by providing 60 days' notice. And it doesn't have to provide a reason to its customer for doing so.

However, NatWest needs to provide information to this service so we can fairly decide a complaint. Despite being asked by the investigator, NatWest has failed to provide information about why it blocked Mr L's accounts and the reasons why it no longer wanted him as a customer. I've considered what NatWest has said about why it won't provide further information to our service about the reasons it blocked and closed Mr L's accounts. This service has the power to request evidence of this nature under the dispute resolution rules (DISP) and I'm not persuaded the reasons given by NatWest exclude it from complying with these rules. So, in this particular case, because of the lack of information, I can't be satisfied that NatWest has treated Mr L fairly when it blocked and closed his accounts.

Taking this into account, I agree with the investigator that NatWest should pay Mr L compensation for the trouble and upset caused by blocking and closing his accounts. NatWest agreed to pay £100 as recommended by the investigator. Mr L says he should be paid more compensation. Having considered what Mr L has told us about how the block and closure of his accounts impacted him I've no doubt this was a worrying and upsetting time for him.

He has said that he was able to reopen another account. Mr L did say that some of his direct debits failed, and he has some late payment flags as a result. Having considered the impact on Mr L and taking into consideration the available evidence, I'm satisfied that the block and closure of his accounts has caused Mr L some trouble and upset. Therefore, I think he should receive compensation for this.

Mr L has said he has seen that others have received more compensation for the same issues. I am not able to comment on other cases and we treat each case individually and consider the circumstances of each individual case and the impact on each individual customer separately when considering the awards of compensation.

Looking at how Mr L has been impacted by NatWest blocking and closing his accounts, I'm satisfied that £100 compensation is a fair amount of compensation and in line with what we would award and proportionate to the trouble and upset Mr L was caused.

When Mr L's accounts were closed, he had an overdraft balance of £5,432.99. NatWest have agreed that they reported this account incorrectly and they have confirmed they have corrected this on Mr L's credit file, so I won't be asking them to do anything more.

Mr L is saying he shouldn't be charged any fees as his account has closed. Mr L still owes the bank because his account was overdrawn at the time of closure. I have had confirmation from NatWest that Mr L owes £7,312.86. I have checked the closure letter and it does mention that accounts that are overdrawn will need to be cleared by the closure date. I don't think Mr L has been in touch with NatWest to clear the overdraft. And whilst the overdraft is outstanding NatWest are entitled to continue to charge Mr L interest, so I don't think they are doing anything wrong there.

However, I can also see that Mr L is being charged fees for his premier account. The account was due to close in May 2022. Mr L continues to be charged a monthly fee for this account despite his not being able to use the account or benefit from its features. I think this isn't fair so I will be asking NatWest to refund all package bank account fees incurred by Mr L since the account was due to close in May 2022.

My final decision

For the reasons stated above I partially uphold this complaint. I direct National Westminster Bank Plc to pay Mr L

- £100 compensation for the inconvenience caused
- Refund him all package bank account fees incurred since 20 May 2022

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 30 August 2023.

Esperanza Fuentes
Ombudsman