

The complaint

Mr K complains National Westminster Bank Plc unfairly closed his current account and refused to tell him why.

What happened

Mr K held an account with NatWest. In late 2022 NatWest gave him 60 days' notice that the account would close. They also took the same action in relation to another account he holds jointly with another person, which is subject to another complaint with our service. This decision concerns only the closure of Mr K's sole account.

An investigator at our service upheld the complaint. They found:

- NatWest can review accounts and can generally close accounts in line with their terms and conditions. They don't need to provide their reasons to Mr K.
- NatWest failed to disclose their reasons for closing Mr K's account to our service, which they needed to do. As a result, they hadn't shown they closed Mr K's account fairly.
- NatWest should pay Mr K £100 for the distress and inconvenience he experienced because his account was closed.

NatWest agreed to pay £100 redress, but Mr K asked for a final decision from an ombudsman, so his complaint has been given 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.

I've decided to uphold Mr K's complaint. I'll explain why:

Banks have the discretion to review customer relationships and the services they provide. Generally, they can close accounts when they have a genuine commercial reason, and they act within their terms and conditions. They also aren't currently obliged to provide their reasons to customers. So, while I understand Mr K's frustration at not knowing why NatWest closed his account, I don't require NatWest to tell him.

But NatWest do have to provide their reasons to our service in order for us to be able to decide whether they acted fairly. Without providing their reasons, it's not possible to say the closure wasn't an error of fact, plainly irrational or potentially unlawful.

Here, NatWest refused to provide their reasons to our service despite being asked for them several times. And, where a party fails to provide information, I can take account of their refusal when reaching my decision. This is an evidential power afforded to me under DISP 3.5.9R (3). I have exercised this power in reaching my decision.

So, based on the limited information NatWest has provided, I cannot reasonably conclude NatWest closed Mr K's account fairly – I find that they didn't.

Mr K said he was caused a lot of stress and worry when his account was closed, and he was further inconvenienced by having to set up manual payments on another account. Without evidence to show NatWest acted fairly, I'm left to conclude the upset and inconvenience caused to him was avoidable. So, I find he should be compensated.

Putting things right

Subject to Mr K accepting this final decision, NatWest need to pay him £100 for the distress and inconvenience caused by closing his account. I understand he may want more than this, but I haven't seen evidence to show awarding him a larger sum would be reasonable.

My final decision

I've decided to uphold Mr K's complaint. National Westminster Bank Plc need to pay him redress according to my above direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 November 2023.

Liam King
Ombudsman