

The complaint

Mr K and Mrs A complain National Westminster Bank Plc unfairly closed their joint current account and refused to tell them why.

What happened

Mr K and Mrs A held an account with NatWest. In late 2022 NatWest gave them 60 days' notice that their account would close.

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 and Mrs A.
- NatWest failed to disclose their reasons for closing the account to our service, which they needed to do. As a result, they hadn't shown they closed the account fairly.
- NatWest should pay Mr K and Mrs A £100 for the distress and inconvenience they experienced because their account was closed.

NatWest agreed to pay £100 redress, but Mr K and Mrs A have asked for a final decision from an ombudsman, so their 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 and Mrs A's complaint. I'll explain why:

Banks can review the customer relationships they hold and can close accounts when they have a genuine commercial reason. They should act within their terms and conditions when taking a decision to close an account. And they don't currently have to provide their reasons to customers. So, I don't require NatWest to tell Mr K and Mrs A why their account was closed.

NatWest do have to provide their reasons to our service in order for us to be able to decide whether they have 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 they closed Mr K and Mrs A's account fairly – I find that they didn't.

Mr K and Mrs A said they were caused a stress and worry when their account closed, and they were further inconvenienced by having to set up manual payments on another account following NatWest declining an account switch. Without evidence to show NatWest acted fairly, I'm left to conclude the upset and inconvenience caused to both Mr K and Mrs A was avoidable and warrants compensation.

Putting things right

Subject to Mr K and Mrs A accepting this final decision, NatWest need to pay them £100 for the distress and inconvenience caused by closing their joint account. While I understand they were offended and inconvenienced by NatWest's decision, particularly as they were long standing customers, I haven't seen evidence to show they were impacted in a way which would justify a larger sum.

My final decision

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

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

Liam King
Ombudsman