

## **The complaint**

Miss K complains National Westminster Bank Plc unfairly blocked her accounts, closed them and she then couldn't access her funds until they sent her a cheque.

## **What happened**

Miss K held accounts with NatWest. NatWest blocked her accounts for around two weeks without notice in early 2022. They say they then sent her notice that her accounts would close which she denies receiving. Her accounts closed after the notice period expired, and they sent her a cheque for the remaining balance over two months afterwards.

Our investigator upheld Miss K's complaint in part. They found:

- NatWest were able to block her accounts to carry out a review in line with their legal and regulatory obligations.
- NatWest could close her accounts. Their records show they sent her a letter giving her 60 days' notice. It wasn't clear why she didn't receive it.
- NatWest blocked her accounts again to process the account closure once the notice period expired. They sent her a cheque for the account balance over two months later. This was an unreasonable delay. Miss K says she called NatWest during this time and was promised call backs, which was plausible, and NatWest hadn't provided satisfactory evidence to show she hadn't called them.
- Miss K said she experienced a lot of inconvenience and distress as a result of not having access to her funds earlier, but she hasn't provided documentary proof of her losses. So, £100 compensation is reasonable to account for how she was impacted by NatWest's delay. NatWest should also pay her 8% simple interest per annum on the balance they held from 14 April 2022 to 17 June 2022.

NatWest agreed to pay redress according to our investigator's recommendation. Miss K disagreed, so her complaint has been given to me to make a final decision on as an ombudsman.

## **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 Miss K's complaint, but I'm not recommending NatWest pay her more redress than they have already agreed to pay. I'll explain why.

NatWest have important legal and regulatory obligations to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to know their customer, verify their sources of income, monitor accounts, and prevent harm.

NatWest will review accounts to comply with their responsibilities. And it's common industry practice for firms to restrict access to funds to conduct a review - doing so helps prevent potential harm that might otherwise result. I've considered NatWest's reasons for their review, which they don't have to reveal to Miss K, and I'm satisfied their decision to block her accounts was reasonable. Miss K said not having access to the accounts meant she had to rely on friends and family to fly home from abroad and she needed cash for her wedding. But as NatWest acted reasonably, I'm not putting these losses at their door.

Miss K says she never received NatWest's notice to close. But based on NatWest's evidence I'm persuaded one was sent. She may not have received the notice, or it may have been mislaid before being read, but that's not NatWest's fault. I find they complied with their account terms.

NatWest can generally close customer's accounts. I've considered the terms of her account and relevant law, and I'm persuaded their decision was fair based on the reasons for their review. Miss K was asked to provide a copy of her credit file, which she failed to do. So, I'm not satisfied she has shown she didn't have other accounts available to her when the account was blocked a second time and then closed.

NatWest's reasons for taking over two months to issue a cheque after they blocked Miss K's account a second time aren't satisfactory. They may have had delays internally but that isn't Miss K's fault, and they needed to act promptly to ensure she didn't suffer avoidable losses and harm.

I find 8% simple interest per annum calculated on the balance NatWest held from 14 April 2022 to 17 June 2022 is reasonable. This is to account for the cost of being deprived of the funds from when NatWest ought to have issued Miss K's cheque to when they did. If NatWest considers they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Miss K how much they've taken off. They should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

I also find £100 is a reasonable award account for the avoidable frustration and inconvenience Miss K experienced by not having access to her funds earlier. Miss K wants more than this, but she has failed to provide proof to evidence what she says she went through. I find it implausible that she could not at least evidence the cancellation of her wedding and the loss of deposits.

### **Putting things right**

Subject to Miss K accepting this decision, I direct NatWest to pay her:

- 8% simple interest per annum on the balance they held, calculated from 14 April 2022 to 17 June 2022.
- £100 for the distress and inconvenience she experienced by not having access to her funds when she should have.

### **My final decision**

My final decision is to uphold Miss K's complaint. National Westminster Bank Plc should pay her redress according to my direction above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 3 July 2023.

Liam King  
**Ombudsman**