

The complaint

Mr F complains that National Westminster Bank Plc decided to close his accounts and blocked his card. He'd like compensation for the impact on him.

What happened

Mr F has a number of accounts with NatWest including current accounts, a credit card and a mortgage.

On 17 February 2022 NatWest sent Mr F a letter informing him that his accounts, including his current account and credit cards, would be closed within 60 days. The letter also informed him that any borrowing would need to be repaid at that time.

Mr F complained to NatWest and asked them to reconsider their decision regarding the closure. He believed that they'd likely made the decision to close his account because of the account activity, which he provided explanations for. This included money he'd received from his partner to pay for a house purchase.

Mr F brought his complaint to our service.

Whilst NatWest were reviewing their decision to close Mr F's account he also asked whether the bank would extend the time for the debt repayment by 30 days – which NatWest agreed to do.

NatWest reviewed their decision, and on 28 April 2022 reversed their decision to close his accounts.

But, Mr F remained unhappy with NatWest's actions. He argued they'd discriminated against him because of his sexuality and due to his neurodiversity. Mr F also explained that on 19 April 2022 his debit card was blocked and he was prevented from using it whilst on holiday abroad. He explained this led to direct debits being rejected, late payment fees being applied and a negative impact to his credit file as a result. He also advises he couldn't get a mortgage as a result.

One of our investigators looked into Mr F's complaint. He asked NatWest to explain their reason for making the decision to close Mr F's accounts. Our investigator wasn't satisfied with the reasons given by NatWest, and although they made the decision to reverse this he thought Mr F was caused distress by their actions. In particular our investigator wasn't satisfied that NatWest had effectively investigated Mr F's allegation he was discriminated against by the bank – and thought it wasn't unreasonable for Mr F to conclude the bank was discriminating against him when withdrawing his facilities. Our investigator recommended for NatWest to pay Mr F £650 in compensation.

NatWest accepted our investigator's recommendation. However Mr F didn't, and thought the compensation wasn't sufficient. In response he said:

- NatWest's actions left his mother homeless and he's not had contact with his family since.
- He experienced severe mental health and suicidal ideation due to NatWest's actions.
- He spent around 150 hours on the phone and should be compensated £3,750 for this alone.
- He wasn't able to eat or drink for around two days whilst on holiday.

As Mr F 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.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr F and NatWest have said before reaching my decision.

Decision to close Mr F's accounts

NatWest can only close accounts in certain circumstances and if it's in the terms and conditions of the account. The terms and conditions of Mr F's current account advise they can close it for any reason by providing 60 days' notice. NatWest aren't required to share their reasons for closing an account with their customer, however they do need to explain their decision to our service.

NatWest have provided limited information to our service regarding their reasons for deciding to close Mr F's account – however, I'm not satisfied it's enough for me to conclude they acted fairly in deciding to do so. I'm aware that NatWest reversed their decision, but I still need to consider whether their initial decision to close his accounts was fair.

Importantly Mr F's also alleged NatWest discriminated against him because of his sexuality and neurodiversity which he's advised the bank about.

NatWest informed our investigator that they didn't discriminate against Mr F.

My role is to review whether NatWest treated Mr F fairly and their actions were reasonable. Mr F's complaint involves an allegation of discrimination based on a protected characteristic. We're required to take the Equality Act 2010 into account when dealing with complaints of this nature when deciding what's fair and reasonable. But it's not for our service to make a decision about whether a business has breached the Equality Act 2010. That's the role of the Courts. Where we decide a business hasn't acted reasonably, we'll ask the business to put things right for the consumer.

Although I'm satisfied NatWest acted in line with the terms and conditions in respect of the notice given to Mr F, what they've provided, isn't sufficient for me to conclude that they treated Mr F fairly when deciding to close his account. In particular, I've seen no evidence to

suggest that NatWest looked into the allegation of discrimination at the time or took steps to address his concerns. In the absence of an investigation and/or appropriate response from NatWest, I don't think it was unreasonable of Mr F to conclude he'd been discriminated against – irrespective of whether or not he actually was. I say this as Mr F advised me that he shared details about his protected characteristics with NatWest, prior to their decision to close his accounts.

Account block

NatWest have advised our service that Mr F's account, including his debit card, was incorrectly blocked between 20 April 2022 and 28 April 2022. Mr F informed our service that his card was blocked on two occasions. Once prior to when he was travelling abroad and a period during the time he was away.

NatWest and Mr F have different views on the timeframe of the block, but importantly both agree that his account was blocked. And NatWest accept that this was an error on their part. So I don't need to assess whether or NatWest acted fairly in blocking Mr F's access. Instead I need to consider the impact of the block of Mr F – he's explained that as a result direct debits on his accounts were blocked, he was charged late payment fees and experienced inconvenience when on holiday due to not being able to use his card for food, drink and departure tax.

I've firstly considered the missed direct debits and late payment fees Mr F incurred as a result of the block. NatWest have informed me that a unpaid transaction fee of £2.15 was imposed on one of Mr F's accounts – but no other direct debits were returned. This fee has since been refunded to Mr F.

I've reviewed the account statements for the time period Mr F's account was due to close and I can't see that Mr F had any direct debits that were due and went unpaid.

I've also not seen that NatWest applied any markers to Mr F's credit file, or elsewhere, which would have impacted on his ability to obtain alternative lending or credit outside of the NatWest group.

Putting things right

I've considered the impact of NatWest's actions on Mr F – I'm satisfied he experienced significant distress when NatWest decided to close it, which was exacerbated by his belief they discriminated against him. I think Mr F also experienced inconvenience in being unable to use his debit card *after* NatWest had agreed the account wouldn't close.

I've considered Mr F's response to our investigator's view, providing details on why he thinks the compensation award should be higher than £650. But, I'm afraid I don't agree. I'm satisfied £650 appropriately awards Mr F for the impact of NatWest's actions including the detriment caused to his mental health and the inconvenience caused in not being able to use the card. Mr F also added that his mother was made homeless, however our service can only award compensation to the account holder. Mr F also said he should be compensated at an hourly rate for the phone calls he made to NatWest. However, our service doesn't award distress and inconvenience payments in this way. So I won't be awarding Mr F compensation for each hour he was on the phone to the bank.

For these reasons I think Mr F should be compensated £650.

My final decision

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

- Pay Mr F £650 compensation for the distress and inconvenience caused to him

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 8 December 2023.

Jeff Burch
Ombudsman