

## **The complaint**

Mrs J complains that National Westminster Bank Plc unfairly closed her accounts. She says this caused her financial loss, trouble and upset. So, she wants NatWest to pay her compensation.

## **What happened**

Mrs J had a current account and two savings accounts with NatWest. Mrs J was a customer of NatWest for around forty years and used her current account to pay her bills and receive her pension payments.

In February 2022, NatWest wrote to Miss J asking her to get in touch with them by 4 March 2022 and give them some information about a transaction on her account. NatWest sent Mrs J another letter on 25 February chasing the information it had requested and said that if Mrs J didn't provide them with the information it needed, it would close her accounts. Unfortunately, at the time Mrs J was away on holiday so didn't read the letters. Mrs J returned from holiday on 24 March 2022. Sadly, when she came home, she became unwell, with some back and eye problems. So, she wasn't able to go through her post. And remained unaware of NatWest's letters.

On 28 April 2022, NatWest decided to close Mrs J's accounts. It wrote to her giving her 60 days' notice that she needed to make alternative banking arrangements. Because of Mrs J's health conditions, although the letter was delivered to her address, she wasn't aware of its contents due to the problems she was having with her eyesight. Mrs J says she found out that her accounts had been closed when she tried to access her accounts via her online banking on her mobile phone.

Mrs J went into a branch and asked NatWest for an explanation, but the bank wouldn't give her much information. Mrs J says given the seriousness of NatWest's actions the bank should have made more of an effort to get in touch with her, for example by sending her an email. So, she asked NatWest to review their decision to close her accounts. NatWest agreed, but whilst it did so it blocked Mrs J's accounts. This meant Mrs J had to travel to branch to access cash, some of her direct debits went unpaid, and she incurred late payment charges on her credit card.

NatWest completed its review on 31 August 2022, but said it wasn't willing to reopen Mrs J's accounts. It sent Mrs J a cheque for her closing balances. Mrs J complained to NatWest. She said she had to go to the trouble of rearranging more than a dozen direct debits and standing orders. She also wasn't able to access her pension easily, as normally she did all her banking via her mobile phone. But due to the block she had to travel to a branch to complete any banking she wanted to do, which was inconvenient. She also said that she had been charged late payment fees and unpaid direct debit charges due to the block on her accounts. She also pointed out that NatWest hadn't paid the interest that she earned on her accounts when it closed her accounts.

In response to Mrs J's complaint, NatWest said it hadn't done anything wrong and had closed Mrs J's accounts in line with the terms and conditions of the accounts.

Unhappy with this response, Mrs J brought her complaint to our service where an investigator considered it. The investigator asked NatWest to provide more information about why it had closed and then blocked Mrs J's accounts. NatWest gave us some information but said it couldn't provide anything more than it had already provided to us about why it had closed and then blocked Mrs J's accounts.

The investigator also asked Mrs J for more information about her circumstances at the time and the impact the bank's actions had on her. Mrs J provided her credit card and bank statements which showed she'd incurred late payment charges on her credit card account due to the block and unpaid direct debits charges. Mrs J also explained that she believes NatWest discriminated against her on the basis of her race when it blocked and closed her accounts.

The investigator said that based on the limited information the bank had provided, she couldn't say the bank had treated Mrs J fairly when it had closed and blocked her accounts. So, she said that NatWest should pay Mrs J £300 compensation for the trouble and upset this had caused her. She also said that NatWest should refund the charges Mrs J had to pay. NatWest agreed and refunded Mrs J the charges and late payment fees. Mrs J said she was happy that she'd been refunded but didn't think the amount of compensation offered adequately reflected the trouble and upset she'd suffered. She wants £3,000.

As no agreement could be reached 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.

#### *Account closure*

Banks are entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions. In this instance the terms of Mrs J'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 for doing so. NatWest wrote to Mrs J in April 2022, giving her two months' notice that it was closing her accounts and that she'd need to make alternative banking arrangements. The timing of this letter was unfortunate, as at the time Mrs J wasn't very well so didn't read the letter. So understandably she was shocked to discover that following the end of the notice period in June 2022, she couldn't access her accounts.

When Miss J discovered she wasn't able to access her accounts she went into a branch to find out what was happening. Staff told her that her accounts were closed. Mrs J appealed the bank's decision. NatWest agreed to review its decision and deferred closing Miss J's accounts. Whilst it did so, however, it blocked Mrs J's accounts. This meant Mrs J's direct debits went unpaid and she incurred late payment charges on her credit card account. She also didn't have access to the funds in her accounts, so she had to travel to branch to access her pension which was stressful and inconvenient. NatWest completed its review and didn't change its mind about closing Mrs J's accounts. It closed Mrs J's accounts on 31 August 2022.

NatWest can only close accounts in certain circumstances and if it's in the terms and

conditions of the account. NatWest have relied on the terms and conditions when closing Mrs J's accounts. The terms explain that the bank can close the account with notice. However, NatWest still 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 no longer wanted Mrs J as a customer and blocked her account between June and August 2022.

I've considered what NatWest has said about why it won't provide further information to our service about the reasons it closed and blocked Mrs J'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 Mrs J fairly when it closed and blocked her accounts. Taking this into account, I agree NatWest should pay Mrs J compensation for the trouble and upset caused by blocking and closing her accounts.

Prior to issuing this decision NatWest refunded Mrs J the late payment fees, charges, and interest on her accounts, which Mrs J was happy to accept to resolve that aspect of her complaint. So, I don't need to need to address this any further.

The investigator also said that NatWest should pay Mrs J compensation £300 compensation for the trouble and upset caused by NatWest blocking and closing her accounts. NatWest agreed but Mrs J wants £3,000. I should explain that there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact NatWest's actions have had on Mrs J and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

I've considered what Mrs J has said about how NatWest's actions impacted her. I've no doubt this was a worrying and stressful time for Mrs J. She had to go to the trouble of rearranging all of her direct debits and pension payments – fortunately at the time she had another bank account that she could fall back on. So, she managed to redirect her pension payments. But she still had to take the time to rearrange her finances. Mrs J also had to travel to a branch to make withdrawals which would have been inconvenient. So, I am satisfied that Mrs J was caused trouble and upset. However, I'm satisfied that £300 compensation recommended by the investigator recognises the impact NatWest's actions had in the overall circumstances of this complaint. So, I won't be directing NatWest to pay any more to resolve this aspect of Mrs J's complaint.

Finally, Mrs J wants NatWest to provide her with an explanation why it closed her accounts. She says she believes that NatWest actions are based on racial discrimination. While I can appreciate this is her perspective, it is not the role of the Financial Ombudsman Service to decide whether the business has acted unlawfully or not – that's a matter for the courts. I'm required to consider a number of factors in order to decide Mrs J's complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the provisions of the Equality Act 2010 . And after looking at all the evidence, I've not seen anything to suggest that NatWest decided to block and close Mrs J's accounts for an improper reason.

I understand Mrs J wants NatWest to explain the reason it closed her accounts. But NatWest doesn't disclose to its customers what triggers a review of their accounts. It's under no obligation to tell Mrs J the reasons behind the account review and closure, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Mrs J this information. And it wouldn't be appropriate for me to require it to do so.

In summary, I'm not satisfied that NatWest treated Mrs J fairly when it closed and blocked her accounts. So, I uphold this complaint and direct NatWest to put things right by paying Mrs J £300 compensation for the trouble and upset this matter caused her.

### **My final decision**

For the reasons I've explained I uphold this complaint and direct National Westminster Bank Plc to put things right by doing the following:

- Pay Mrs J £300 compensation for the trouble and upset caused by the bank unfairly blocking and closing her accounts

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 28 November 2023.

Sharon Kerrison  
**Ombudsman**