

The complaint

The trustees of a trust, which I will refer to as T, complain about the actions of National Westminster Bank Plc when carrying out an account review process.

What happened

The following is intended only as a brief summary of events. T has a bank account with National Westminster Bank Plc (NatWest). Whilst T is a trust, the account is categorised as a business account. In the summer of 2022, NatWest contacted the trustees of T to begin business profile review process.

The trustees of T are unhappy with NatWest's handling of this process, including failures in communication and in terms of the information – and form of information – the bank said it required. The trustees complained to NatWest, which apologised for the failures in communication and paid £300 compensation into T's account. The trustees of T remained unsatisfied, and this was exacerbated by NatWest later completing the review process without requiring information in the form it had previously said was needed.

The complaint was brought to the Ombudsman Service, but our Investigator felt that the compensation provided by NatWest was appropriate in the circumstances. So, she didn't think NatWest needed to do anything more.

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.

Having done, I am not upholding this complaint, as I do not consider NatWest needs to do anything more. I'll explain why.

The trustees of T are aware of the need for the bank to complete the review process, and understand in general terms why this is necessary. Such reviews are something banks, including NatWest, are required to carry out. The exact way in which this happens is however largely open to each bank to determine.

I can appreciate that T is a relatively small trust. It is an unfortunate situation in that smaller entities – both trusts and smaller businesses – will be proportionately more inconvenienced by these reviews than larger entities, which by their very nature have more resources to deal with the banks' requests.

However, a bank is largely entitled to determine what it needs to carry out such reviews. And as long as individual customers are not treated in a different and detrimental manner, I am unable to say that a bank has acted inappropriately.

I note the comments from the trustees of T that NatWest has been impersonal and applied, at least for most of the period, a rigid approach to the review. But I am unable to conclude that a bank following its process is acting inappropriately, as long as that process is

reasonable. And there is a difference between providing excellent customer service and providing adequate customer service. I am, in effect, only able to uphold a complaint in relation to such an issue where the customer service is less than adequate.

Whilst I agree that customers might receive a better service if a more flexible and personable approach were to be taken, based on the requirements that apply to this complaint, as long as a bank did not provide an inappropriate service, I am unable to conclude that it was actually required to do more.

It is though clear that there were times when the service provided by NatWest was less than adequate and was inappropriate. Failures in communication, including the lack of responses to correspondence and at times a lack of clarity, have been admitted by NatWest.

I also appreciate the trustees' frustration at NatWest initially saying that certain information was required in a particular form, and then at a later stage accepting information in a different form. Essentially, the initial requirement was for documents to be certified, which would come at a cost to the trustees. And it took many months of the trustees objecting to this before NatWest changed its position. I agree that it would have been much more preferable, and would no doubt have avoided a great deal of the frustration and inconvenience the trustees experienced, had NatWest agreed to this at an earlier stage.

However, whilst I agree that there were failures in the service NatWest provided, I need to consider this against the level of compensation it has already awarded. The impact of an error by a bank can be felt differently by different customers. But the £300 paid by NatWest is in line with what I would have recommended in the circumstances of this complaint, had no compensation already been paid. So, I am unable to fairly and reasonably ask NatWest to do any more here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 22 May 2024.

Sam Thomas
Ombudsman