

The complaint

Mrs R has complained that National Westminster Bank Plc took too long to release the funds from her savings accounts when it decided to end its banking relationship with her.

What happened

Nat West wrote to Mrs R in May 2022 giving her notice that it was going to end its banking relationship with her and that she had until July 2022 to make alternative arrangements. Mrs R arranged to switch her current account to another bank but she didn't realise that the funds in three savings accounts with Nat West wouldn't be included in the switch.

Mrs R held £120,000 in her savings accounts and ceased to have access to that money from July 2022. It took until 4 November 2022 for the funds to be released to her. Nat West accepted that there had been some unnecessary delay and offered her £100 compensation, which Mrs R declined.

Mrs R said that she had some large bills to pay and not having the available funds caused her to become ill through stress. She also had to borrow money from friends which was embarrassing. In addition, her friends had charged her 1% per month interest on the loans made to her. Our investigator looked at Mrs R's circumstances and thought that a more appropriate level of compensation would be £1,000 for distress and inconvenience and that Nat West should reimburse the interest payments that Mrs R had incurred on the loans.

Nat West agreed in principle and has paid Mrs R the £1,000. However, before making the payment for interest on the loans, it required more evidence that Mrs R had actually paid it.

I wrote a provisional decision last month in which I explained I was thinking of upholding the complaint and thought that compensation of £1,000 was fair. However, I didn't think Nat West should have to reimburse any interest payments as Mrs R hadn't provided sufficient evidence to prove she had paid her friends back with interest.

Nat West accepted my provisional findings. Mrs R didn't respond to my provisional decision.

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.

As stated in my provisional decision, as both parties accepted the investigator's recommendation of £1,000 compensation for distress and inconvenience, I don't need to look at that any further.

The issue at hand is whether Mrs R has provided sufficient evidence to demonstrate that she had indeed been charged 1% interest on her loans.

My provisional decision set out the inconsistencies in the information provided to us by Mrs R. She first told us that she had paid the money back with interest and provided some

evidence that seemed to corroborate that. But when asked for more specific details, she then told us that she'd had a change of circumstances which meant she hadn't been able to pay any of the money back at all. She also provided more evidence which seemed to support that alternative scenario. As such, my provisional decision was that I was unable to rely on the information that had been provided and I hadn't seen enough to be persuaded that there was any agreement in place to pay her friends 1% interest.

As Mrs R hasn't responded further, I see no reason to depart from the outcome I reached in my provisional decision.

My final decision

For the reasons set out above, I uphold the complaint and require National Westminster Bank Plc to pay Mrs R £1,000 compensation. As it has already done this, I am not asking it to do anything more.

National Westminster Bank Plc does not have to reimburse any interest payments on the money that Mrs R borrowed from her friends.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 11 September 2023.

Carole Clark
Ombudsman