

The complaint

Ms G complains that National Westminster Bank Plc put a stop on her account and closed it down.

What happened

Ms G says she received a letter from NatWest asking her to contact them by 25 August 2022 to discuss her banking. The letter referred to transactions normally expected from business customers. Ms G contacted NatWest and she says she was asked questions about deposits into her account, and there were references to her account not being operated in a normal way. Ms G says after the call she received a letter dated 31 August 2022 which incorrectly stated they had told her to move her business transactions, and if she didn't do this by the date in previous letters a stop would be placed on her account and steps would be taken to close it, as they were not comfortable with the conduct of her account.

Ms G contacted NatWest and informed them she was not happy with their decision and had no notice of the stop being placed on her account as she was unable to pay her bills. In the event she had missed a letter, she asked the call handler what further letters had been sent to her advising her what to do, but he confirmed there were no further letters sent. Ms G was granted a 24 hour lifting of the stop, in which she made payments out of the account, but three payments were not made. Ms G says she received a letter on 16 November 2022 informing her that her account was closed, and they enclosed a cheque. Ms G made a complaint to NatWest and requested transcripts of her calls.

NatWest did not uphold Ms G's complaint. They said they spoke to their remediation team, and they confirmed they sent Ms G a letter on 25 May 2022 and further reminder letters were sent on both 30 and 60 days. They said their remediation team would be in touch shortly to explain the next steps regarding her personal account. They referred to section 1.2 of their terms and conditions in that her personal account is not to be used for business purposes. Ms G brought her complaint to our service.

Our investigator did not uphold Ms G's complaint. He said although Ms G refutes the suggestion that she's using her account for business purposes and said NatWest should've talked to her, and notified her, about their decision before taking the step of closing her account, the account terms don't say NatWest has to discuss a decision to close an account with their customer, and they explained their reasons in detail to Ms G in their correspondence with her.

Ms G asked for an ombudsman to review her complaint. She made a number of points. In summary, she said NatWest's letters contained incorrect information, and she did not receive any chaser letters as confirmed by the call handler she spoke to in August 2022. She said the first two paragraphs of the closure letter clearly shows that it was part of NatWest's procedures to issue guidance on corrective action required and a timescale for compliance, and that they were saying this had been followed in her case. She says this had clearly not been done, either by phone or in writing, and this is the crux of her complaint.

As my findings differed in some respects from our investigator's, I issued a provisional

decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Ms G has made a number of points to this service and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I've looked at the letter that Ms G was sent dated 25 May 2022. This informed Ms G that "We have reviewed your account and have identified transactions similar to those we'd normally expect to see in the accounts of our business banking customers. We need your help to understand how you are using your account. Our personal accounts are not designed for business use". The letter told Ms G to ring them by 23 August 2022 as without further information they may have to put a stop on her account. Ms G rang NatWest and discussed the account.

I asked NatWest for a copy of this call. But they have been unable to locate this. I have been provided evidence of screenshots of their call recording system showing three different telephone numbers that Ms G says she could have rung from (the system does not show call recordings from withheld telephone numbers). And there is no call recording. This does not mean that Ms G didn't speak to NatWest prior to the date she was given – I believe from what she has said that she did speak with NatWest about her transactions on her account. And in the absence of any call recording or call notes on NatWest's systems, then I'm persuaded she would have been told the decision whether to close her account or not would be passed to a decision making team and the call handler would pass the information Ms G had given him to this team.

I've considered what has been said regarding the 30 day and 60 day chaser letters. Both parties do not agree with what happened here. NatWest say these were sent and Ms G says she was told by the call handler there were no further letters sent and she didn't receive these chaser letters. When it comes to complaints where it's one word against another, I have to consider the evidence available to me. I then have to weigh the evidence against the balance of probabilities, that is, what's more likely to have happened in the circumstances.

Based on NatWest having no evidence to support their claims they sent the letters (apart from saying they would have sent the letters), then I'm not persuaded that they did send any chaser letters. But I'm also persuaded that this would have no impact on what happened here (apart from the frustration Ms G would have knowing she was not sent any further letters despite NatWest saying she was). These letters would have only been chasing up the 25 May 2022 letter, for Ms G to ring NatWest – which she did, so I don't think these made a difference here regardless of whether they were sent or not.

So as Ms G had spoken to NatWest, and on the balance of probabilities she was told that the information would be passed to a decision making team, then it would have come as a surprise the letter that she received dated 31 August 2022. I'm persuaded the contents of this letter could have been clearer to Ms G and I'll explain why.

The letter says "We recently asked you to move your business transactions from your personal account as it goes against our terms and conditions. We also explained, if this business activity wasn't moved from your account by the date given in your previous letters, a stop would be placed on your account. We'd then start the process of closing your account". But I've been provided no evidence that Ms G had been told to move any transactions.

The letter dated 25 May 2022 states they need to know how Ms G was using her account and to ring them – which she did. The original letter does not ask her to move any transactions, and in the absence of the phone call or call notes, then I can't say Ms G was told to move any transactions on the phone. It would be unlikely she was told to move any transactions on the phone as the call handler was gathering information to pass onto the decision team. So as Ms G did not consider any transactions to be business related, she was waiting on the outcome from the decision making team.

It is only in the following paragraph which NatWest set out their stance. They acknowledge her call as they say "Our records show you have made contact with us regarding your transactions. However, we've investigated further and we're still not comfortable your personal account is being used in the right way". So NatWest made a decision despite the information Ms G gave them, that they weren't comfortable in how Ms G was using her account. And they are entitled to make a commercial decision on this basis, which our service is unable to interfere with.

The letter said that they would put a stop on her account on 5 September 2022. While it may be NatWest's procedure to put a stop on the account. There are times where a strict application of their policies may lead to an unfair outcome for their customer. Given that the letter was dated on Wednesday 31 August 2022, to place a stop on the account on Monday 5 September 2022, it's possible that Ms G would have not received the letter in time to take any action in the five days NatWest allowed her to take action (as they didn't apply a stop immediately). Especially in light of non-working days during this timeframe and it appears there was a postal strike on one of these days also.

This led to Ms G having to contact NatWest to try and access her funds in the account to pay her bills as a stop was on her account when she received the letter. I was pleased to see that NatWest did allow the stop to be lifted, albeit for only 24 hours. I'm unable to comment on what happened with her unpaid bills as part of this complaint as this was part of a separate complaint brought to our service.

I've considered whether NatWest gave the required notice for Ms G's account to be closed. The letter dated 31 August 2022 says "From Wednesday 5th October 2022 we'll begin the process of closing your account. We'll write to you to let you know this is happening". I asked NatWest if they could provide any further letters they sent. But they directed me to a template they send a customer when they send a cheque for the closing balance. NatWest's terms and conditions show that there are certain instances where they can close an account immediately (such as using a personal account for business purposes) and "We can also close any other account by giving you at least 60 days' notice".

With NatWest saying that from 5 October 2022 they'll begin the closure of the account, this doesn't mean the account would be closed on 5 October, which would be 35 days after the letter was dated. The letter was not clear when the account would be actually closed (and therefore when Ms G would receive the cheque with her account balance). It wasn't clear whether the reason for the account closure fell under the immediate reason to close the account or the 60 days' notice required. But while I don't think the closure notice was clear, I'm not persuaded that this made much of a difference. I say this because NatWest closed the account on 9 November 2022, which was over 60 days from when they told her they would be closing her account.

NatWest told Ms G on 8 September 2022 that their remediation team would be in touch with Ms G shortly by letter explaining the next steps regarding her personal account. I asked NatWest to provide the letter that they sent to Ms G regarding this. They told me that due to the passage of time that's passed they had been unable to get clarity on this. But I've seen no evidence at any point of my investigation that the remediation team got in touch with Ms

G after 8 September 2022. It may be that the letter dated 31 August was the letter they were referring to, although I note this wasn't addressed from NatWest's remediation team (and was sent prior to 8 September when NatWest said they would be in touch) . So on the balance of probabilities, I'm not persuaded that NatWest's remediation team did send Ms G another letter explaining the next steps for her account, which would have caused distress to her when she didn't receive anything further after the letter dated 8 September 2022 until she received the closing cheque.

Ms G also asked NatWest for transcripts of her calls she made to them in August and September 2022. But I can't see that they provided these to Ms G. This is likely because there was no call recordings or system notes. But I would expect NatWest to let Ms G know why this wouldn't be possible. I can see she emailed the complaint handler again on 21 September 2022 informing them she hadn't received the transcripts and raised another request, but there doesn't appear to have been a response. I asked NatWest about this and they said that as the account is now closed and due to the passage of time this has not been able to be located. So based on Ms G saying she hadn't received a response and NatWest not being able to prove otherwise, I'm persuaded that she didn't receive a response here.

So I've considered what would be a fair outcome for this complaint. It would not be proportionate for me to ask NatWest to reopen Ms G's account when they are not satisfied with how she ran this account previously, and I'm aware that Ms G has been able to open an account elsewhere. But I do think there has been a number of occasions throughout this process where NatWest haven't been clear in their communications with Ms G which has led to distress and inconvenience for her.

She was told additional letters had been sent to her, when the evidence suggests they weren't. She was given the impression on the closure letter that she could have taken actions to avoid the closure, whereas in reality she couldn't have changed their decision (as explained later in the letter). NatWest did not take into account postal issues when placing the stop on her account which led to Ms G being inconvenienced to have to ring NatWest and arrange a temporary lift of the stop. And an expectation was set that she would hear from their remediation team in a letter after her final response, but there's no evidence to suggest they did send Ms G a letter. I can see that Ms G asked for transcripts of calls, but it doesn't appear that NatWest acknowledged her requests either or told her the reason why they were unable to fulfil her requests.

So I'm persuaded that NatWest should pay Ms G £125 for the impact their errors had on Ms G. I'm satisfied that this reflects the distress and inconvenience Ms G suffered as a result of the issues highlighted in the previous paragraph. So it follows I intend to ask NatWest to put things right for Ms G."

I invited both parties to let me have any further submissions before I reached a final decision. NatWest accepted the provisional decision. Ms G responded to the provisional decision. She said there were two areas she would like to comment on.

The first area was regarding whether the decision by NatWest to close her account could have been changed by anything. Ms G said in NatWest's letter to her on 31 August, there is a clear indication that prior to the decision being made, there had been a chance for her to take an action that could have meant the decision to close the account would not have been taken. She said the conduct of her account could have been brought into line with NatWest's expectations, and therefore they would not have needed to take the decision to close her account, so she said the closure of the account was not inevitable. She said their failure to send her the correspondence that they referred to meant she was denied the opportunity to understand and be compliant with their requirements, and to take actions that could have meant the decision to close her account would not have been made.

The second area Ms G wanted to comment on was her history and relationship with NatWest and the voluntary and charity work that she does. To protect her identity, I won't repeat what Ms G has said here, but I can assure her I've read everything she's said about this. Ms G commented on her relationship with the branch staff, who she has known for many years, but she feels anxious that they will know that her account was closed because of perceived misconduct.

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 considered what Ms G has said about the first area she wanted to comment on. But I addressed this in my provisional decision. I said *"it would have come as a surprise the letter that she received dated 31 August 2022. I'm persuaded the contents of this letter could have been clearer to Ms G and I'll explain why."*

The letter says "We recently asked you to move your business transactions from your personal account as it goes against our terms and conditions. We also explained, if this business activity wasn't moved from your account by the date given in your previous letters, a stop would be placed on your account. We'd then start the process of closing your account". But I've been provided no evidence that Ms G had been told to move any transactions.

The letter dated 25 May 2022 states they need to know how Ms G was using her account and to ring them – which she did. The original letter does not ask her to move any transactions, and in the absence of the phone call or call notes, then I can't say Ms G was told to move any transactions on the phone. It would be unlikely she was told to move any transactions on the phone as the call handler was gathering information to pass onto the decision team. So as Ms G did not consider any transactions to be business related, she was waiting on the outcome from the decision making team.

It is only in the following paragraph which NatWest set out their stance. They acknowledge her call as they say "Our records show you have made contact with us regarding your transactions. However, we've investigated further and we're still not comfortable your personal account is being used in the right way". So NatWest made a decision despite the information Ms G gave them, that they weren't comfortable in how Ms G was using her account. And they are entitled to make a commercial decision on this basis, which our service is unable to interfere with." So here, I acknowledged the letter they sent her could have been worded clearer and that there was no evidence that Ms G had been told to move any transactions.

I also acknowledged it was only in a later paragraph which NatWest set out their stance with Ms G as they show she contacted them, and that they investigated further, but they weren't comfortable with how she was using her personal account. There was no further correspondence that they could send her apart from the 30 and 60 day chaser letters – but she called them before the deadline given, so these chaser letters would have made no difference to the outcome here. And the call handler Ms G had spoken to also confirmed there were no further letters sent. So while I understand the letter Ms G received on 31 August 2022 indicates they asked her to do something – they didn't actually ask her to move *"business transactions"* over the phone or by letter.

So I can't agree that Ms G could have done anything differently to change the decision NatWest made – after their further investigation (based on the phone call she had with them)

as shown in the 31 August letter. I'm persuaded this letter was a templated letter which the initial paragraphs hadn't been personalised to reflect what happened with Ms G.

I can sympathise with what Ms G has said about her relationship with NatWest and the anxiety that she feels about visiting a branch now. As NatWest have made their decision which is a commercial one, and one we can't interfere with, there's not much I can say about this area. But it's possible the staff won't even be aware of why her personal account has been closed. The letters NatWest sent would be to Ms G and not to the branch staff. But if Ms G experiences poor customer service as a result of staff's perception to the closure, then she should make a complaint to NatWest if she is impacted with any staff behaviour.

In summary, Ms G's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Ms G is disappointed, I hope she understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask National Westminster Bank Plc to pay Ms G £125 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. National Westminster Bank Plc should pay Ms G £125 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 14 September 2023.

Gregory Sloanes
Ombudsman