

The complaint

A charity, which I will refer to as T, makes two separate (but related) complaints:

- Firstly, T complains that Ulster Bank Ltd was wrong to close its existing bank account.
- Secondly, T complains that Ulster Bank Ltd was wrong to decline its application for a new bank account.

What happened

In 2022, Ulster Bank decided to close T's bank account. T's trustees complained to the bank, and it responded on 18 November 2022. In brief, it said that it had not done anything wrong and there was no bank error. It told T's trustees that if they disagreed with the outcome of their complaint, they had the right to approach the Financial Ombudsman Service – but they must do so within six months of 18 November 2022.

T's trustees asked Ulster Bank to open a replacement bank account for the charity, but the bank refused. The trustees complained about that refusal. The bank responded to their second complaint on 6 January 2023, again telling them that they had six months to approach the Financial Ombudsman Service if they disagreed with Ulster Bank's decision. The bank accepted that there had been some customer service failings, and that overall it should have treated the trustees with more compassion. However, it said it had made the correct decision when it declined T's application. It was not prepared to tell the trustees why it was not willing to offer an account, but it did say "we carry out checks to make sure that we fully understand the relationship [T] will have with us, and on this occasion the criteria were not met".

T's trustees still wanted to open an account with Ulster Bank, so they referred the complaint to the Financial Ombudsman Service on 22 May 2023 in the hope that we could help them. They provided a detailed explanation of the difficulties they had experienced, together with substantial supporting documentation. They explained that to resolve their complaint, they would like T's account to be re-opened.

One of our investigators said she could not consider T's complaint about the account closure, because that complaint had not been referred to us within six months of 18 November 2022 and she hadn't seen any exceptional circumstances that meant the complaint couldn't have been referred to us in time. She did look at T's complaint about the bank's refusal to open a new account, but she did not uphold that complaint. She noted that Ulster Bank had sent the trustees some gifts to apologise for its poor customer service, and she thought that was sufficient. She also explained that Ulster Bank is under no obligation to disclose why it had turned down T's application, but she had reviewed the evidence it had provided and she was satisfied that it didn't act unfairly.

T's trustees did not accept our investigator's findings, and asked for an ombudsman to act compassionately and help them reinstate T's bank account. They also offered to visit one of the bank's branches if that would help resolve matters.

Our jurisdiction

The rules about complaining to the ombudsman set out when we can – and can't – look into complaints. In my decision, I've explained what this means for the two complaints this charity has asked us to look at.

I'm sorry to further disappoint T's trustees, but so far as T's complaint about the account closure is concerned there is nothing I can add to what our investigator has already said.

T's trustees did not refer T's complaint about the closure of its bank account to us until 22 May 2023. That is only just outside the deadline of six months from 18 November 2022 – but the referral was still too late. Our rules don't give me any discretion to set aside the fact that a referral is late.

In circumstances like these, where a referral was made too late and the bank has not consented to our looking at a complaint outside the time limits, I am only able to consider a complaint if I am satisfied that the delay in referring the complaint was a result of exceptional circumstances.

I've carefully considered T's trustees comments. They have explained that they thought Ulster Bank's letter of 6 January 2023 superseded its 18 November 2022 letter. But I consider that both letters were clear about the issues they covered. The 18 November 2022 letter concerned the trustees' complaint that "you are unhappy that your trust account ending [redacted] has been closed by the Bank", and the 6 January 2023 letter was in response to the trustees' concerns about "the trouble you've been having with opening a new account with us for [T]". I acknowledge that the two issues are related, but I don't think Ulster Bank did anything to cause the trustees' confusion.

I also know that the trustees have been through an extremely difficult time. I thank them for their openness with both our service and the bank about the health problems one of the trustees has experienced, and about the impact this has had on them. I do not doubt that the problems they experienced over T's bank account added further stress, but I don't think that they were prevented from referring T's complaint about the closure of its bank account to us within six months of 18 November 2022. I'm sorry to say that that means I simply do not have the legal power to consider their complaint about the closure of the charity's bank account.

The trustees' complaint about Ulster Bank's decision to decline T's application for a new bank account was referred to us in time. That complaint does fall within my jurisdiction, so I have gone on to consider its merits.

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 am sympathetic to the trustees' position. I know that they have made significant efforts to open a bank account elsewhere, and that they are concerned they may have to close T down entirely – with consequences for the people T supports – if they cannot obtain banking facilities. As I've said, I'm also aware that the trustees have been through an extremely difficult time. But I'm only able to uphold a complaint like this one if I'm satisfied that the bank has done something wrong. Here, I agree with our investigator that it has not.

I've looked at the reasons why Ulster Bank declined to open an account for T to make sure that the bank treated T fairly. Ulster Bank is entitled to choose who it does business with, but it must follow the correct procedure when it declines applications, and it must treat customers fairly when doing so.

Having reviewed the information Ulster Bank has provided to our service, I'm satisfied that Ulster Bank did receive T's application. That means the offer the trustees have made to visit an Ulster Bank branch in person in order to complete the relevant account opening documentation would not make any difference; Ulster Bank has already received T's application.

I am also satisfied that Ulster Bank properly considered T's application, that the bank was entitled to decline that application, and that it acted fairly when doing so. I appreciate it must be very frustrating for T's trustees not to know why the bank made the choice that it did, but since the bank isn't obliged to disclose the reasons for its decision to T I can't say it did anything wrong by not telling T's trustees why it decided that it was not willing to offer a new account to T.

My final decision

My final decision is that:

- I cannot consider T's first complaint about the closure of its bank account, because that complaint was made too late.
- I do not uphold T's second complaint that Ulster Bank Ltd refused to open a new account for it, because I don't think the bank did anything wrong.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision about their second complaint before 1 March 2024.

Laura Colman
Ombudsman