

## The complaint

Mr and Mrs P complain that National Westminster Bank plc (NatWest) unfairly closed their accounts.

This complaint relates to accounts held jointly by Mr and Mrs P. Although some of the actions mentioned in this decision were taken by either Mr or Mrs P alone, for simplicity I've referred simply to Mr and Mrs P throughout the decision. Mrs P also had accounts with NatWest in her sole name. Her concerns about those accounts have been addressed under a separate complaint.

## What happened

Mr and Mrs P had joint accounts with NatWest.

On 15 October 2021 Mr and Mrs P deposited £10,000 in one of their NatWest accounts. Mr and Mrs P told this service the money had accrued over the previous few months during which Mr P was very unwell and unable to manage their rental properties as he usually did.

In January 2022 NatWest asked Mr and Mrs P for information. NatWest said it needed the information if it was to continue providing services to Mr and Mrs P. And this was to satisfy its legal and regulatory obligations as an authorised financial services firm. It said if it didn't receive the information by 18 February 2022 it would restrict their access to their accounts.

Mr and Mrs P called NatWest in response to the letter. They said that during the call NatWest subjected them to '*a tirade of very personal questions*'. They said they were shocked by the questions NatWest was asking and its attitude towards them.

Mr and Mrs P have said they called NatWest again the following day and explained that the £10,000 they deposited was an accumulation of rental income which had built up while Mr P was unwell.

On various occasions after that Mr and Mrs P had contact with NatWest and were unhappy with how they were treated, including because NatWest didn't call them when it said it would and didn't provide a call transcript they asked for. Mr and Mrs P also said they thought NatWest's questions were unreasonable and its manner was aggressive.

NatWest continued to say it needed more information from Mr and Mrs P and it didn't think they'd satisfactorily answered its questions.

On 6 February 2023 NatWest wrote to Mr and Mrs P saying it had decided to close their accounts in 60 days' time, on 7 April 2023.

On 10 February 2023 Mr and Mrs P complained to NatWest.

On 14 March 2023 NatWest replied to Mr and Mrs P's complaint. It said it had decided to close their accounts in line with section 12.2 of the terms and conditions that applied to the accounts. It said it couldn't say any more about the decision to close the accounts except that the decision was final. NatWest also apologised for not getting back to Mr and Mrs P

about information they'd requested. It said a subject access request had since been submitted and NatWest would respond to that within 30 days.

Part 12.2 of the terms and conditions of Mr and Mrs P's accounts included that NatWest could close the accounts immediately for certain specified reasons. Or it could close the accounts with 60 days' notice without the need for a specified reason.

Mr and Mrs P weren't satisfied. They referred their complaint to this service. In summary they said they received a letter from NatWest asking them to call. They called and NatWest asked them various personal questions. This included questions Mr and Mrs P said they couldn't answer, in particular about what salary they received. Mr and Mrs P said they couldn't answer because their income was derived from a government pension and a number of rental properties. When NatWest then asked what their income was they said they still couldn't answer because their income was sporadic and depended on various things such as what expenses had to be paid in connected with the rental properties.

One of our Investigators looked into Mr and Mrs P's complaint. She thought the complaint should be upheld because NatWest hadn't given this service its reasons for closing the accounts. This meant that, although the closure was consistent with the terms and conditions of the accounts, the investigator couldn't be satisfied the reasons for the closure were otherwise fair and reasonable.

The investigator recommended NatWest pay Mr and Mrs P £100 compensation. NatWest agreed. Mr and Mrs P said the compensation wasn't enough. They said that, as well as having their accounts closed, they'd had poor customer service from NatWest. And the distress and inconvenience they'd suffered warranted more than £100.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

Before I made a decision on this complaint NatWest provided more information about its decision to close Mr and Mrs P's accounts. I've taken that information into account in reaching my decision.

Before I made my final decision on this complaint I issued a provisional decision. In it I said I was minded to conclude NatWest hadn't acted unfairly by asking Mr and Mrs P for information and closing their accounts. But I was minded to say NatWest's service to Mr and Mrs P fell short of a reasonable standard in other ways. I said I'd consider any further evidence or comments from either party before making my final decision on the complaint.

NatWest said it accepted my provisional decision.

Mr and Mrs P didn't accept my provisional decision. In response they resubmitted a detailed account of events which they had already submitted to this service previously. And they stressed the following points:

- NatWest recorded that Mr and Mrs P didn't provide any further information and remained unwilling to discuss their details and account activity.
- Where Mr and Mrs P didn't provide the information requested (such as salary or income and the value and purchase price of their properties) that was because it wasn't possible to provide the information (including because their income fluctuated and the properties were purchased decades ago).
- NatWest advertised that customers could '*easily and quickly*' deposit up to £10,000.

- NatWest failed to give them a call recording transcript they asked for.

They also expressed dissatisfaction with actions by NatWest which are outside the scope of this complaint.

I've taken the submissions from Mr and Mrs P into account in reaching my final decision. And I haven't been persuaded to reach an outcome that's different from 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.

Having done so, I've found that NatWest didn't act unfairly in requesting information from Mr and Mrs P and closing their accounts. But its service to them did fall short in other ways. I'll explain why.

I first want to set out that our rules allow this service to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information NatWest has provided for our investigation of Mr and Mrs P's complaint is information we consider should be kept confidential. This means there's some detail I won't share with Mr and Mrs P. But I'd like to reassure them I've considered everything.

In short the information I've accepted in confidence from NatWest is of a nature that shows NatWest had fair reasons for suspending Mr and Mrs P's access to their funds and asking for information from them about the source of the funds. And I'm satisfied too that doing that was in line with the accounts' terms and conditions. So, having considered the information provided by NatWest I'm satisfied its reasons for closing the accounts were fair.

I don't agree with Mr and Mrs P that NatWest was unjustified in asking the questions it asked and drawing the conclusions it drew. It was for NatWest to decide how it would satisfy its legal and regulatory obligations and what information it required from Mr and Mrs P to do that. And having seen NatWest's reasons for the review and the account closures I can't say its approach was outside the bounds of fairness and reasonableness. Again I'm sorry I can't share the details of NatWest's reasons with Mr and Mrs P.

I'm also satisfied the closure was within the terms and conditions of the accounts. The terms and conditions allowed NatWest to close the accounts – without the need for a specified reason – with 60 days' notice. And NatWest gave Mr and Mrs P that notice.

It's also the case that businesses may choose who they will provide services to, just as consumers may choose which businesses they want to bank with. And so it was open to NatWest to make the commercial decision to end its banking relationship with Mr and Mrs P.

Although Mr and Mrs P have said they did provide information and NatWest was wrong to say they were unwilling to cooperate, it was for NatWest to decide whether it was satisfied the information was sufficient. And having received the information they provided, NatWest had the discretion to decide whether it would continue offering banking services to Mr and Mrs P. So, while I do understand Mr and Mrs P's frustration, the fact they provided a level of information and cooperation they thought was reasonable doesn't mean NatWest acted unfairly or unreasonably by deciding to close their accounts.

Similarly, I understand Mr and Mrs P feel it was unfair for NatWest to ask questions following their deposit of £10,000 when NatWest advertised that customers could '*easily and quickly*' deposit up to £10,000. But the fact it said deposits up to £10,000 would be easy and quick didn't mean NatWest didn't need to fulfil its regulatory responsibilities to understand the circumstances and banking activities of its customers. And so I don't think that advertising the facility to '*easily and quickly*' deposit up to £10,000 meant NatWest couldn't or shouldn't have asked questions of Mr and Mrs P following their deposit. And it didn't negate the discretion NatWest had to close Mr and Mrs P's accounts if it chose to do so.

Having decided it wasn't unreasonable for NatWest to review and close the accounts, I do however think NatWest gave Mr and Mrs P poor service at times during its review of the accounts. In particular NatWest acknowledged having failed to return calls and respond to a request for information. NatWest said Mr and Mrs P had then made a subject access request and NatWest provided information in response to that.

Mr and Mrs P have stressed that NatWest didn't provide a particular call recording transcript they requested. This would've been frustrating for Mr and Mrs P. But I don't think the existence of that transcript would've changed the outcome of their complaint. Mr and Mrs P have acknowledged there was some information NatWest asked for that they didn't provide. And, as I've said, NatWest had discretion to close their accounts without needing a specified reason. So the transcript Mr and Mrs P sought was unlikely to show that NatWest was unreasonable to request the information it asked for and close the accounts.

Overall, I don't think the overall outcome of this case would've been materially different if NatWest hadn't made the errors it made in the way it communicated with Mr and Mrs P. But I do think the errors added a degree of distress and inconvenience that Mr and Mrs P shouldn't have had to experience. For that I think NatWest should pay Mr and Mrs P £50 to acknowledge the impact of that on them.

In conclusion, I'm sorry to know Mr and Mrs P suffered distress and inconvenience over the closing of their accounts – particularly when they were longstanding customers. But I can't say NatWest acted unfairly or unreasonably towards them in reviewing and closing their accounts. However, NatWest's general service to Mr and Mrs P while closing their accounts fell short of a reasonable standard. And NatWest should compensate them for the distress and inconvenience caused by that.

### **Putting things right**

To put things right for Mr and Mrs P, National Westminster Bank Plc must pay Mr and Mrs P a total of £50 to acknowledge the distress and inconvenience caused by the shortcomings in its service to them.

### **My final decision**

National Westminster Bank Plc has already acknowledged that its service to Mr and Mrs P fell short. For the reasons set out above my final decision is that National Westminster Bank Plc must pay £50 to Mr and Mrs P.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 30 December 2024.

Lucinda Puls  
**Ombudsman**