

The complaint

Mr A complains that National Westminster Bank Plc closed his account without giving a reason. He would like a reason and his account reinstated.

Mr A is represented by his father Mr A.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A had a current account with NatWest.

NatWest reviewed Mr A's account and blocked the account between 9 November 2022 and 21 November 2022. Following a review NatWest decided to close the account. They gave Mr A 60 days' notice of the closure of the account on 9 January 2023. The account was due to close on 10 March 2023. The account was closed on 9 May 2023.

NatWest said they were complying with their legal and regulatory obligations.

Mr A was unhappy with the closure, so he complained to our service. One of the investigators looked at the complaint. She thought NatWest hadn't given this service enough information to be satisfied that NatWest acted fairly in blocking and closing the account. She awarded £100 compensation and 8 % interest from 9 November to 21 November when they account had been blocked. She said NatWest didn't have to tell Mr A why they had decided to close the account.

NatWest accepted the view.

Mr A wasn't happy with the view. He said NatWest hadn't provided us with enough information about why the account had been closed and therefore NatWest should reinstate the account. Mr A had made a Data subject access request (DSAR) for his documents to NatWest, and they hadn't provided him with the information he needed. Mr A was also concerned that without a current account he would be unable to access his investment account with one of the NatWest group of banks.

Following the view, the investigator was able to confirm that Mr A had received the balance on his account by cheque on 23 October 2023.

As there was no agreement the matter has come to me to decide.

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'll start by setting out some context for the review of Mr A's account. UK legislation places extensive obligations on regulated financial businesses.

Financial businesses, like NatWest, are subject to a number of legal and regulatory requirements. These means they have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments.

This is reflected in NatWest's terms and conditions. These say NatWest can block an account to meet its legal obligations and delay payments if needed to carry out further checks. In this case NatWest have said they were following their regulatory obligations when they blocked the accounts.

Mr A wants to know the reason why NatWest blocked his account. But NatWest doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr A the reasons behind the account block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr A this information.

NatWest proceeded to give Mr A 60 days' notice of its intention to close the account.

NatWest needs to provide information to this service so we can fairly decide a complaint. NatWest has failed to provide sufficient information about why it blocked Mr A's account and the reasons why it no longer wanted him as a customer. So, in this particular case, because of the lack of information, I can't be satisfied that NatWest has treated Mr A fairly when it closed his account. Taking this into account, I agree with the investigator that NatWest should pay Mr A compensation for the trouble and upset caused by closing his account. As Mr A's account was blocked from 9 November 2022 to 21 November 2022. Mr A should be provided with compensation for not being able to access the funds in his account at the rate of 8% simple for that period of time.

I know that Mr A wants NatWest to reopen his account. Although NatWest haven't provided this service with the reasons why it no longer wants Mr A as a customer, I am not going to ask NatWest to reopen Mr A's account. That's because it has the commercial freedom to decide who it wants as a customer.

I note the account closed on 9 May 2023, but Mr A didn't receive a cheque until much later on 23 October 2023. Mr A had access to his funds from 21 November 2022 until 9 May 2023. Mr A has said he didn't want to remove his funds from the account even though this was available to him during the 60-day notice period. Mr A thought this would oblige NatWest to keep his account open. I accept that Mr A had to wait a long time for the balance in his account to be sent to him, however I consider this delay is of his own making as he could have accessed his funds during the notice period, so I won't be asking NatWest to provide compensation for this.

Mr A says he wants to know the reason why his account was closed; he doesn't think he has done anything to justify an account closure. NatWest isn't obliged to provide its customers with information regarding the reasons for the closure of their accounts. So, I don't think they have done anything wrong by not giving Mr A the reason.

Mr A has let us know that he hasn't received the documents he requested from NatWest under the DSAR. I imagine Mr A has requested this information in order to find out why NatWest have closed his account. I am aware that he has contacted the Information commissioner's office (ICO) to complain about NatWest not providing the information. As a

service we can't compel NatWest to comply with its obligations under GDPR. I am satisfied that the ICO is best placed to deal with this for Mr A.

Mr A has also mentioned that his investment account can't be accessed without a current account, and he is concerned that the closure of his NatWest current account will mean he won't be able to access his investment account. The investigator has suggested he contact the bank who he has the investment account with who will be able to help him. The investigator has provided a couple of phone numbers to pursue this issue. And I have seen evidence that Mr A received an email requesting he contact the investment department to discuss his investment account. Mr A was due to speak to the bank. If he is unhappy with this response, then Mr A should complain to that bank.

My final decision

For the reasons stated above I uphold this complaint. To put things right National Westminster Bank Plc should pay Mr A

- £100 compensation for the trouble and upset caused by the bank closing his account.
- 8% interest on the balance in his account from 9 November 2022 to 21 November 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 May 2024.

Esperanza Fuentes
Ombudsman