

The complaint

Miss B complains National Westminster Bank Plc (“NatWest”) restricted, and later closed her account without explanation. Miss B adds that she has yet to receive her funds from NatWest.

Miss B says NatWest’s actions have caused her substantive financial loss, distress, and inconvenience for which she should be compensated. She also wants the account reinstated.

What happened

Around August 2022, NatWest initiated an internal review of Miss B’s account and asked her to provide it with information about her banking activity and personal circumstances. Following this review, during which Miss B’s account was restricted, NatWest sent a letter to Miss B informing her that it had decided to close her account on November 2022. The letter informed Miss B that her account would be closed in two months’ time in January 2023.

Miss B says she never received this letter and only learnt about this when she couldn’t access her online account. Miss B had been working overseas for some time. When she couldn’t access her account, Miss B contacted NatWest by phone and discovered her account had been closed.

In February 2023, after Miss B questioned NatWest’s decision, her banking App began working again. But a few weeks later when Miss B was travelling abroad, her App stopped working again and she had lost access to her account.

Unhappy with NatWest’s actions, Miss B complained. NatWest didn’t uphold her complaint. In short, some of the key points it made were:

- NatWest had given Miss B 60 days’ notice of its intention to close her account in line with its policy
- NatWest has acted in line with its legal and regulatory obligations, and terms of account in doing so
- NatWest will look into Miss B’s appeal about this decision, and it will get in touch with her

Later in February 2023, NatWest sent a further complaint related response. It said following the appeal, NatWest had decided not to overturn its decision to close her account. So her account has now been closed as per the notice letter – which is why Miss B couldn’t see her account on her App. NatWest said a cheque for the closing balance would be sent to her.

Miss B’s account was closed on 20 February 2023. Miss B referred her complaint to this service.

One of our Investigator’s then looked into Miss B’s complaint. They recommended the complaint isn’t upheld. In summary, their key findings were:

- NatWest closed the account in line with its terms and conditions and gave Miss B 60 days' notice of its intention to do so. NatWest doesn't need to give Miss B an explanation
- NatWest has shown it sent Miss B a letter in November 2022 informing her that her account would be closed. The letter was sent to an address Miss B provided as where she was residing at that time. So NatWest provided Miss B with the required notice
- NatWest has sent Miss B instructions to have her funds returned
- Miss B is unhappy the account remained open some time after 16 January 2023. But our Investigator had not seen any evidence Miss B was told the account would remain open. Miss B appealed the closure but in February 2023 NatWest informed her the appeal was unsuccessful and the closure would stand

Miss B didn't agree with what our Investigator said. In summary, she says a letter wasn't sent to her registered address by NatWest and she's unhappy her funds haven't been returned.

In response, our Investigator said NatWest has shown the closure notification was sent to Miss B's registered overseas address. They also said they'd speak to NatWest about Miss B reclaiming her funds.

Miss B said the address, and country, to which NatWest sent the notification letter does not have a postal service so it would have had to have been sent by recorded delivery or courier. Miss B says she had explained this to NatWest on multiple occasions. Miss B added that she was able to provide the verification documents NatWest needed to release the funds but was having issue with getting them notarised abroad.

Our Investigator looked into this further. NatWest explained that there was no information on its systems to suggest Miss B had made it aware that she wasn't able to receive post at her registered address. NatWest also showed what its 'reclaim pack' letter, in relation to releasing the funds looked like. It also said that as Miss B was overseas its unable to accept documentation without the required certification.

Our Investigator explained that NatWest needs documents notarised to avoid fraud and it wasn't being unreasonable by requiring this before releasing Miss B's funds by transfer to a nominated account. They also said that as NatWest had no record of Miss B explaining anything about her postal issue, they can't say it is responsible for it not being delivered.

Our Investigator also shared a UK Government web link on what Miss B could do to get her documents notarised in the country she was residing at.

In response Miss B said she was aware of the media attention on bank's de-banking their customers and wanted an Ombudsman to now decide her complaint.

As there was no agreement, this complaint has now been passed 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.

Having done so, I've decided not to uphold this complaint. I know Miss B feels strongly about

her complaint, so I'll explain why.

Banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

NatWest carried out a review of Miss B's account and it appears this led to a period of restriction whilst it gathered the information it required from her. Having considered NatWest's reasons for reviewing the account in this way, I'm satisfied it acted in line with the obligations it must follow.

NatWest is entitled to close an account just as a customer may close an account with it. But before NatWest closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which NatWest and Miss B had to comply with, say that it could close the account by giving her at least 60 days' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by NatWest, I'm satisfied it was entitled to close the account in the way that it has done. I know Miss B would like an explanation as to why NatWest restricted and closed her account, but it is under no obligation to do so.

I would add too that our rules allow us 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 is information we consider should be kept confidential.

Miss B says she told NatWest that there is no postal service in the country she resides in and so it hasn't reasonably provided this. Miss B doesn't disagree that the registered address NatWest hold on its systems was incorrect. NatWest has confirmed that it doesn't have any note on its systems that Miss B had this postal issue.

This is a finely balanced point because it centres on two opposing positions without conclusive evidence to support either party. But I'm persuaded that NatWest has looked into its records before returning this information, and I'm satisfied that the letter was most likely sent. It's also unclear how much of a difference the letter being delivered would have made given Miss B worked in a different country to that of the registered address.

I'd also reiterate that I don't think NatWest has done anything wrong in closing Miss B's account for the reasons its shared with me in confidence.

It appears Miss B was given access to her online account after the January 2023 date of closure before it was closed in February 2023. NatWest explained it was considering its decision under appeal to close the account and later said it wasn't going to overturn this. So given Miss B was able to use the account, and knew there was an appeal ongoing, I don't think NatWest has done anything wrong here.

Miss B had not received her funds as of October 2023, and I don't know if this matter is yet resolved. At face value this looks like a significant delay. But I note NatWest has provided Miss B with details as to how she can facilitate a transfer of these funds from overseas which includes her sending it notarised verification documents.

Miss B has said she has the documents but is finding it challenging to get them notarised

given where she is residing internationally. But our Investigator has shared a useful link with her about how she can get this done. I'm satisfied that by asking for this information in this way NatWest isn't being unreasonable and its process is designed to protect both it and Miss B from fraud. Nor do I think this is onerous upon Miss B enough for me to reach a determination that NatWest isn't acting fairly or reasonably.

As I don't think NatWest has done anything wrong in following its process for Miss B to reclaim her funds, I'm satisfied it doesn't need to compensate her for the deprivation of them. I also note that Miss B has her salary paid into a foreign account and has other bank accounts she can use.

I note Miss B has referenced media and public attention in relation to UK banks closing its customers' accounts. I'd like to assure Miss B that I've considered all relevant rules, regulations and business codes of conduct in reaching my decision.

Miss B has explained in detail the significant impact NatWest's actions have had on her physical and mental wellbeing. She's also explained what financial detriment, distress, and inconvenience this has caused her. I'd like to assure her that I don't undervalue in any way what she has said about this.

But having looked at what's happened in this particular case, I can see no basis on which I might make an award against NatWest given I don't think it's done anything wrong in reviewing, restricting and closing Miss B's account – and the way it communicated this.

So I'm not going to ask NatWest to compensate Miss B for any financial loss, distress, or inconvenience she's suffered.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 19 April 2024.

Ketan Nagla

Ombudsman