

The complaint

Mr R complains that he has tried on numerous occasions to open a current account with National Westminster Bank Plc (“NatWest”) but his applications keep getting declined for no reason.

What happened

Mr R holds a savings account and credit card with NatWest. Mr R wished to open a current account with NatWest so he can withdraw cash from his savings account and pay bills without having to attend a branch of NatWest which he says is a two hour trip for him and is inconvenient especially as there is no counter service on a Saturday.

Mr R tried to open a current account online on more than 7 occasions but each time he says he received a message saying “sorry unable to offer you this account at this time”. So Mr R attended a branch of NatWest and was advised to try again opening an account online which he did but received the same message. Mr R says he was then given a number to ring for NatWest’s digital customer assistant. Mr R tried calling this number but was told they were very busy and experiencing technical difficulties and was promised a call back but never received one.

Mr R complained to NatWest about this. He wants to know why he can’t open a current account. NatWest said that without Mr R’s application reference number it is unable to provide a definitive reason as to why his applications are being rejected and advised Mr R to once again go through a fresh application for the same product. NatWest apologised for the poor level of service Mr R had received and offered Mr R £140 compensation for trouble and upset this caused.

Mr R was dissatisfied with this as he is still unable to open an account and wants to know why. He says he:

- has a savings account with NatWest;
- his credit card with NatWest has a zero balance;
- he works full time;
- has lived at the same address since 2020; and
- he’s not asking for an overdraft or any credit.

Mr R merely wants easy access to his savings account without having to visit a branch of NatWest to do this. Mr R feels he is being discriminated against as he has not been given a reason why he can’t open an account. To resolve the matter Mr R wants NatWest to open a current account for him. So Mr R brought his complaint to this service.

NatWest’s records show that between November 2022 and May 2023 Mr R has applied 14 times for a current account of which all of the applications were declined. NatWest haven’t been able to explain or given a reason for the continued failed application’s, but suggest it maybe because his occupation is listed as a student.

One of our investigators looked into Mr R's concerns and suggested Mr R get a copy of his credit report to see if there are any other external factors hindering his application. They reached the conclusion that there was no evidence NatWest had discriminated against Mr R and didn't think NatWest had treated Mr R unfairly.

Mr R disagreed and has asked for an ombudsman's decision. I issued my provisional decision on 15 December 2023. In my provisional decision, I explained why I was proposing to uphold Mr R's complaint. I invited both parties to let me have any further submissions before I reached a final decision and neither NatWest or Mr W have added any new information.

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.

In my provisional decision I said that:

"My role is to look at the problems Mr R has experienced and see if NatWest has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr R back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

This service went back to NatWest and asked it if:

- 1. There was a technical issue causing problems in opening an account for Mr R that it needs to investigate and fix; or*
- 2. NatWest doesn't want to open an account for Mr R that NatWest provide us with a legitimate reason why this is so we can be satisfied NatWest has treated Mr R fairly.*

NatWest responded by saying it had no reason to believe there was a technical issue and that it was unable to absolutely specify the reason for any declined application.

I don't think this is good enough and I don't believe NatWest has treated Mr R fairly. I don't think it is up to Mr R to try and find a reason why NatWest won't open a current account for him, especially as he is able to hold a savings account and credit card with it. I don't think NatWest has done enough or even attempted to resolve the issue for Mr R and help him in opening a current account and it has failed to engage with this service in offering a legitimate reason why it won't or can't open an account for him – and so I'm currently minded to uphold this complaint.

To resolve this complaint Mr R wants NatWest to open a current account for him. I appreciate the reason for this is that Mr R already holds a savings account with NatWest and that he wants a current account with NatWest so he can transfer money between accounts without having to visit a branch. But I can't force NatWest to open an account for him and even if it did there would be no guarantee that Mr R wouldn't experience further problems.

So this being the case I need to look for an alternative way to resolve Mr R's problem. I'm not aware of any particular reason why Mr R wishes to bank with NatWest, so I think an alternative remedy and suggestion would be for Mr R to move his banking to another provider and NatWest compensate Mr R for the inconvenience and distress this matter has and continues to cause him. Mr R has spent considerable time:

- completing 14 applications;*

- *visiting NatWest branches;*
- *raised a complaint and then had to refer it to this service; and*
- *as the matter can't be resolved has to consider moving his banking elsewhere.*

So for the above reasons I currently think NatWest should compensate Mr R £400 for the distress and inconvenience caused by not being able to resolve Mr R's issues in opening a current account or provide this service with a satisfactory reason as to why it won't open an account for him."

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

My final decision

For the reasons I've explained I've decided to uphold Mr R's complaint and direct National Westminster Bank Plc to pay Mr R £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 February 2024.

Caroline Davies
Ombudsman