

The complaint

Mr A complains National Westminster Bank Plc (“NatWest”) closed his accounts without notification.

Mr A says NatWest’s actions have caused him substantive financial loss, distress, and inconvenience. To put things right, Mr A wants NatWest to reinstate his accounts.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

NatWest closed Mr A’s account in August 2023.

Mr A has been living abroad due to the severely poor health of his mother and was a long-standing customer of NatWest’s. He says he is a UK citizen and has many critical financial commitments ranging from property insurance to rental income. He adds that the loss of the use of his accounts has caused him significant detriment.

Unhappy with NatWest’s decision, Mr A complained. NatWest didn’t uphold Mr A’s complaint. In summary, the main points it made were:

- NatWest has taken the difficult decision to reduce the number of countries in which it serves customers. As a result, it can no longer offer Mr A any banking services
- NatWest understood Mr A would’ve needed time to make alternative arrangements. So it provided him with six months’ notice
- The first letter notifying Mr A of the closures was sent to his overseas address in February 2023, and then an email was sent two weeks later. The final letter was sent in June 2023 before the accounts were closed in August 2023
- NatWest can’t be held responsible for delivery issues by UK postal services
- NatWest’s decision is in line with relevant rules and regulations, and the terms of the accounts

Mr A referred his complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. Some of their key findings were:

- NatWest explained it had taken the commercial decision to limit the number of countries they offer services to. It’s not this service’s role to direct the commercial practices of financial institutions. NatWest has done nothing wrong in exercising its commercial discretion
- NatWest sent Mr A letters and an email notifying him his accounts would be closed. So NatWest gave Mr A sufficient notice and didn’t fail in its duty to inform him

- NatWest closed the account in line with the terms of the accounts

In response, some of the key points Mr A made were:

- NatWest wasn't happy with the specific country Mr A was residing in
- His stay in that country is temporary and he will be moving in February 2024 to another country
- He had not received any letters from NatWest notifying him about the closures. Letters of such importance should have been sent by registered post
- NatWest should give Mr A clear reasoning for closing his accounts, and have provided him an opportunity to explain his circumstances

Our Investigator explained that:

- NatWest can only consider where Mr A was resident in 2023 when it made its decision
- NatWest's system data shows what communications were sent to Mr A. Banks do not have a responsibility to send letters by registered delivery. Mr A was also sent an email by NatWest in February 2023

As there is no agreement, this complaint has 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 have decided not to uphold this complaint. I'll explain why.

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 Mr A had to comply with, say that it could close the account by giving him at least 60 months' notice if he wasn't resident in the UK.

NatWest say it provided Mr A with six months' notice of its intention to close his accounts. From what Mr A has said, I'm satisfied that he was residing abroad at the time NatWest made its decision. I can understand why he had moved from the UK given the health of his mother. But this does mean he was residing in a foreign country, and it appears his future plans also meant he would continue to do so.

This brings me to what I see as the crux of Mr A's complaint. That is, NatWest didn't send him any letters, and if it did, it should have done so by registered post to ensure he received them overseas.

NatWest has sent me templates of the letters and communication it would've sent Mr A. It has also sent me technical information from its internal systems that show a letter was sent about the closures in January 2023, followed by an email in February 2023. And later a final letter in June 2023.

It's possible that letters sent abroad through standard delivery didn't reach Mr A. But I haven't seen compelling evidence that he was having problems with receiving his letters there. However, even if that was the case, NatWest sent Mr A an email too - which is something he should have received. Given NatWest took measures to communicate with Mr A through different channels, I don't think it could've done more.

So, given Mr A was residing overseas and NatWest gave at least 60 days' notice of its decision to close his accounts, I'm satisfied it has done so in line with the terms of the account. I also think that by giving six months' notice, NatWest has done more than I would expect it to in allowing Mr A to make alternative banking arrangements. This could have involved him using banking services where he was resident or opening an account with another UK provider who may have been comfortable with his residential status.

Mr A says NatWest took the decision it did specifically because of the country he was residing in. But having carefully considered this, I'm satisfied NatWest did so because of a wider commercial decision to stop offering its services to customers who live abroad.

NatWest explained why it was closing Mr A's accounts. I'm satisfied it made this sufficiently clear to Mr A.

Mr A says NatWest's actions have caused him financial loss, distress, and inconvenience. But as I don't think NatWest has done anything wrong, I see no basis in which to make a compensation award.

My final decision

For the reasons above, I have decided not to uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 22 August 2024.

Ketan Nagla
Ombudsman