

The complaint

The trustees of a trust I'll refer to as E complain about the service that they received from National Westminster Bank Plc. In particular, they complain that it took an unreasonable amount of time to release E's funds and didn't return E's trust deed.

The trust was still in existence when this complaint was originally brought. One of the trustees, Mr B, has represented the trustees in the complaint.

What happened

E had two accounts with NatWest – a current account and a reserve account. The settlor of the trust, Mr E, died in 2018. In November 2020 E's trustees completed a form asking NatWest to close E's accounts.

There were complications surrounding the closure of the accounts. There hadn't been any activity on either account for some time, and NatWest didn't hold confirmation of up-to-date signatories for E. Without that, it couldn't act on the closure instruction. The signatories were subsequently updated, but this led to further delay, as it meant that NatWest had to carry out "Know Your Customer" checks on E. The reserve account had also become dormant.

In September 2021 Mr B wrote to NatWest, asking it to complete any steps needed to close E's accounts so that the money in them could be transferred to the beneficiary specified in the dissolution clause in E's trust deed. NatWest didn't reply until two months later, after Mr B chased it.

The money from the dormant account was eventually released in August 2022 and paid to the beneficiary specified in E's trust deed.

NatWest closed the current account in late October 2022. Mr B says the intended beneficiary was clearly set out in the dormant account reclaim form, but NatWest sent the money to Mr E's executor. The executor contacted Mr B and the money was then transferred to the beneficiary. Mr B has commented that if the executor hadn't promptly told him what had happened, there could have been further delays in the beneficiary receiving payment.

In its final response to E's complaint in November 2022 NatWest accepted that its communications about what would be needed to close the current account could have been clearer. It acknowledged that if it had provided clear information at the outset, the money could have been released within around a month. And it accepted that it hadn't made clear that the money in the current account wouldn't be released at the same time as the money in the dormant reserve account.

NatWest offered to pay £2,982.20 interest at 8% for the period from 23 December 2020 until the date the money was paid out of E's current account. And it offered to pay £750 for the distress and inconvenience caused, and asked for details of the accounts into which the money should be paid. NatWest said that the trust deed, which Mr B had sent it in June 2022, would have been returned by post within 30 days of receipt, but that this wouldn't have been by a tracked postal service.

NatWest said if E wished to accept its offer, it would pay the interest and compensation within 7-10 working days on receipt of confirmation of the account the money should be paid to. Mr B provided those details at the end of November 2022. The interest and compensation was eventually arranged in January 2023, after Mr B chased NatWest again.

Mr B says the way NatWest dealt with the matter has meant that he's had to spend an enormous amount of time sorting it out.

One of our investigators considered the complaint. In summary, she accepted that it had taken longer than expected to release the money in the accounts. But she thought that the compensation NatWest had already paid was fair. However, she thought it should also cover E's postal costs of £64. Following receipt of the investigator's view, NatWest agreed to do this.

Mr B didn't agree with the investigator's view, so the complaint's been passed to me.

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.

Mr B has provided detailed submissions to this service in support of the complaint. In reaching my decision I've taken into account everything that he's said. But I've focussed on what I consider to be the key aspects of the complaint, in line with this service's role as an informal dispute resolution service. Having done so, I think that what NatWest has already agreed to do to resolve the complaint is fair.

It isn't in dispute that the process of releasing the money from E's current account took longer than it's likely that it would have done if NatWest had explained clearly at the outset what would be needed. I also accept that NatWest took longer than I'd have expected to respond to some of Mr B's correspondence. And I consider that if NatWest had told E as clearly and promptly as it should have done what was needed in order to close each account, Mr B wouldn't have had to spend as much time as he did seeking the release of the money.

I accept that the need to contact NatWest repeatedly to arrange for the closure of the accounts and the recovery of the closing balances would have been inconvenient and stressful. But I consider the £750 that NatWest has already paid to be reasonable to reflect this. And I'm satisfied that the interest NatWest has paid to reflect the delay in the money being released is fair. So I'm not persuaded that I can reasonably require NatWest to do more in respect of the delay in closing the accounts.

NatWest sent the closing balance from the current account to Mr E's executor's account, as specified in the account closure form completed in November 2020. Mr B believes that it should have sent it instead to the beneficiary specified in the dissolution clause in E's trust deed. And he's commented that the relevant account details were clearly given in the Non Personal Dormant Account Reclaim form completed in December 2021.

But the purpose of that form was to reclaim money from a dormant account. The form was only relevant to E's dormant (reserve) account, and NatWest correctly transferred the money from that account to the specified beneficiary. NatWest transferred the closing balance on the current account to the beneficiary specified in the account closure form, signed in November 2020, a copy of which was enclosed with Mr B's letter to NatWest in September 2021. Mr B has commented that all forms completed referenced both accounts. Given this, I consider that it would have been helpful if NatWest had made it clear that the money from the current account would be dealt with separately. But I'm satisfied that no significant loss or inconvenience arose from the transfer to the executor in any event, as Mr B has told us that the executor contacted him promptly and the money was transferred to the intended beneficiary.

NatWest says it took a scan of E's trust deed and no longer holds the original. It's explained that it doesn't return documents by recorded delivery. It says it only holds the scanned copy of the trust deed, and that the original would have been returned by ordinary post within 30 days in accordance with its procedures. I think it more likely than not that this is what happened. While it might have been helpful if NatWest had told Mr B that it wouldn't return the original by recorded delivery as requested, I don't consider that it was unreasonable of NatWest to return it by ordinary post. And although I'm sorry to hear of the distress that the loss of the original trust deed caused, I can't fairly hold NatWest responsible if it went astray in the post.

I realise that the trustees of E will be disappointed with my decision, given the time and effort involved in getting E's accounts closed and the funds released. However, in the circumstances of this complaint, and for the reasons I've set out, I consider the £750 compensation that NatWest has already paid, plus the £64 it's now agreed to pay to cover E's postage costs, to be fair. So I'm not asking it to do more than this.

Putting things right

To put things right, NatWest should pay E £64 to cover E's postal costs if it hasn't already done so.

My final decision

My decision is that if it hasn't already done so, National Westminster Bank Plc should pay E £64 in addition to the £750 it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask the Trustees of E to accept or reject my decision before 19 March 2024.

Juliet Collins
Ombudsman