

The complaint

Mr M has complained that National Westminster Bank Plc ('NatWest') blocked his savings account without providing an explanation and that this led to him suffering various losses.

What happened

Mr M has various accounts with NatWest including a savings account – the subject of this complaint- and a joint current account which is the subject of a separate complaint.

Mr M got in touch with NatWest in November 2022 after he wasn't able to see or access his current or savings account online. He said he was told by NatWest that it couldn't provide any information as to the reason for this so he decided to visit one of its branches. After he was again told there was no further information to share, he complained. He said NatWest was not treating him fairly and that it had also refused to share details of his direct debits with him so he could make other arrangements.

NatWest responded to the complaint but it didn't uphold it. It said it was acting within its legal and regulatory obligations when it decided to block the accounts and that it had made no errors when it reached this decision. It said that as Mr M's accounts were inactive any direct debits would not be claimed and therefore no charges would be applied.

In January 2023 NatWest decided to close the accounts with 60 days' notice. Mr M said he'd heard nothing from NatWest up until that point.

Mr M wasn't happy and complained to us. He said NatWest only provided its current account terms and conditions when it responded to his complaint, and it wasn't until he pointed it out later that it provided the savings ones too. He added that NatWest said that it wouldn't apply any charges to his accounts, but it did and now refuses to refund these. He added that it failed to comply with its terms and conditions and also that over the period where he couldn't access his accounts it sent him letters about unsuccessful direct debit payments which were written in a harassing manner. He also said NatWest failed in its regulatory obligations and didn't treat him fairly.

Furthermore, Mr M said he was in the process of purchasing a new vehicle and had to pull out of the purchase. He also said he suffered a significant loss of income due to NatWest's actions and also suffered from stress and anxiety. He said he spent hours visiting branches and on the phone to NatWest and that the whole situation impacted his marriage. Finally, he said that NatWest's letters weren't written in plain English and weren't easy to understand. He said he wanted an apology, compensation for his loss of income and the time he wasted as well as the psychological impact this has had on him.

NatWest said that it was acting in line with its legal and regulatory obligations and within its terms and conditions. It added that it was under no obligation to explain the reason for the block to Mr M. It also said that the accounts were blocked between 8 and 17 November 2022 and that no direct debit charges were made over that period. It said the accounts were otherwise accessible after this period and over the 60 day notice period before they were closed.

Our investigator who reviewed the complaint initially thought it should be upheld but she later changed her opinion and said that NatWest was acting within its legal and regulatory obligations when it blocked the accounts. Our investigator didn't look into the closure of the accounts as this wasn't something Mr M was complaining about. She also said as the charges related only to the joint account (which was the current account) these would be looked at as part of a separate complaint.

Mr M didn't agree and asked for an ombudsman's decision. He said he believed NatWest blocked the account due to money laundering concerns, but he didn't believe it had looked into the matter properly. He said that all the cash that he had withdrawn from his account had been returned and, in fact, the total cash returned was less than the amount withdrawn. He said some of the returns were due to the fact that he had old £50 notes that he had to swap. He made some additional points about a £10 disputed transaction, NatWest not allowing him to switch accounts and its delay in responding to a subject access request which are being looked at under a separate complaint. Finally, he said he was further inconvenienced by the fact that he had to make separate cash withdrawals each day in order to take his money out of NatWest and had to do so on 22 separate occasions.

Our investigator provided an additional view in response. She didn't change her opinion that NatWest was acting fairly and reasonably in blocking the account. She also didn't think its correspondence had been unclear and she acknowledged that the savings account terms and conditions weren't provided until the day after the final response letter was issued. But she didn't think this was something she would award compensation for. She said she also couldn't see that any charges had been made on the sole account. With regards to information about the direct debits she didn't think this was something NatWest was obliged to provide.

The matter was then 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.

Mr M has complained about a joint and a sole account. As I said above, in this decision I will only be looking at the sole account which was also the savings account.

It might be helpful if I start by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this. Businesses have legal and regulatory obligations they have to meet and they have processes in place in order to meet these obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its obligations NatWest may need to review an account and/or restrict its customers' access to accounts and funds held within them. NatWest's terms and conditions also allow it to suspend or restrict the use of an account in certain circumstances. So, our role in cases like this one, is to look at whether the business has followed its own internal procedures correctly, while also meeting its legal and regulatory obligations.

NatWest said it blocked the account between 8 and 17 November 2022 in order to carry out a review. And it said it doesn't need to provide a reason why it decided to do this. Based on the evidence I have seen, some of which was shared with us in confidence and which I can't share with Mr M, I agree that NatWest was complying with its legal and regulatory obligations when it decided to review the account. So I don't think it was acting unfairly or

unreasonably. And I agree that it isn't under any obligation to tell Mr M why it decided to do this.

Mr M said NatWest didn't comply with its own terms and conditions. And that it also didn't treat him fairly and so it failed in its regulatory obligations. He also mentioned that he didn't think NatWest's letters were written in plain English. Having looked at NatWest's letters I didn't find that they were written so poorly to warrant me making an award for compensation against it. Mr M said NatWest failed to comply with its term which says that it will contact him if it believes that his account is under threat but I don't think this was the case here, so I don't think this term is relevant.

Mr M said he wanted compensation for the stress he suffered and the time he wasted calling and visiting NatWest. He said the situation also impacted his marriage. I was really sorry to hear about the impact the account block had on Mr M but as I don't think NatWest acted in any way that was unfair or unreasonable, I am not minded to award compensation in the specific circumstances.

Mr M said that NatWest refused to provide him with a list of his direct debits but as the direct debits were on the joint account this will be looked at as part of that complaint. The same applies to the charges that Mr M was charged which I note were also on the joint account as they relate to the direct debits. And the same goes for the letters which related to the missed direct debit payments, which Mr M said he'd found were written in a harassing manner.

Mr M also said that NatWest didn't send him the savings account terms and conditions when it responded to his complaint. I see that these were sent the following day so this isn't something I would be looking to award compensation for. And I also note the terms and conditions are available online so they would have been easy for Mr M to find.

Mr M has provided evidence that he was refunded a £100 deposit for a test drive for a car but I haven't seen any evidence that he missed out on a car purchase. But in any event as the account was blocked for around nine days I think the purchase is something he could have rearranged. Also I haven't seen any evidence as to Mr M's loss of earnings claim so I can't safely conclude that there was a loss of earnings or that NatWest was responsible for it.

I note that Mr M's new complaint points (about the switch etc) are being looked at separately. If he is also unhappy that he had to make 22 visits to NatWest to withdraw his funds he may also raise a separate complaint about this.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 April 2024.

Anastasia Serdari
Ombudsman