

The complaint

Mr E has complained that National Westminster Bank Plc ('NatWest') closed his accounts including his credit card accounts and didn't provide an explanation why. He wants all the accounts to be reopened.

What happened

Mr E had a number of accounts with NatWest for many years. In June 2023 he received a letter from NatWest saying that it was closing one of his credit card accounts. Mr E said he was told this was because he hadn't used his card for a year.

A week or so later Mr E says he received another letter to say that another one of his credit card accounts was being closed as well as all his other accounts, which included savings and current accounts. NatWest gave him two months' notice in relation to all the accounts and said they would be closed in early August 2023.

Mr E said he called NatWest to ask why his accounts were being closed. He says NatWest didn't give him a reason for the closures and said he could contact our organisation if he remained unhappy.

NatWest issued responses to Mr E's complaints but didn't uphold them. In relation to his credit card it said this had been closed following the right processes and in line with its policies. It said this was also in line with its terms and conditions and in accordance with its legal and regulatory obligations. The same applied to the closure of the remaining accounts. NatWest said if Mr E wanted to appeal its decision, he could provide further information which included further identification or details of a change in circumstances. It reiterated its decision to close the accounts and said it couldn't provide any specific details surrounding its decision. It again referred to its terms and conditions.

Mr E brought his complaint to us and said he wanted his accounts to remain open.

One of our investigators reviewed the complaint but didn't think it should be upheld. She thought NatWest was acting in line with its terms and conditions when it decided to close the accounts with 60 days' notice. She also acknowledged that Mr E had access to all the accounts over the notice period which meant the closure wasn't immediate and she thought this was fair and reasonable.

Mr E didn't agree and asked for an ombudsman's decision. The complaint 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.

In this decision I am only looking at NatWest's decision to close Mr E's accounts including his credit card accounts. I haven't looked at anything that followed the closure of the accounts.

Mr E is unhappy that NatWest didn't provide a reason for the closure of the accounts and wants them reopened. I can appreciate why being provided with no explanation would be frustrating and upsetting for him. But I don't think NatWest has to give a full explanation. That is because it is entitled to close an account with Mr E just as he is entitled to close an account with NatWest. It's generally for banks and financial businesses to decide whether or not they want to provide, or continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions in a legitimate manner, this service won't usually intervene. But before NatWest closes an account it must do so in a way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that NatWest could close Mr E's account by giving him at least two months' notice. I've seen the notice to close letter and NatWest has also provided further evidence to show that the accounts were active during the notice period so I'm satisfied it has complied with this part.

I've also considered the reason for the closure of the accounts and whether this was fair. NatWest has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm.

Having reviewed all the evidence, including the information NatWest provided in response to the investigator's view, I'm satisfied that it was acting in line with its legal and regulatory obligations when it decided to close the accounts by giving Mr E 60 days' notice. Furthermore, NatWest is allowed to set its own policies which will also include its risk criteria. It's not my remit to say what policies or risk appetite NatWest should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Having looked at all the evidence and the terms and conditions I'm satisfied that NatWest was acting fairly and reasonably when it closed the account. NatWest has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that NatWest's decision around closing Mr E's account was unfair. I find that NatWest had a legitimate basis for closing Mr E's accounts and not telling him why. So, I don't find that NatWest treated Mr E unfairly.

when it closed his accounts. It follows that I won't be asking it to reopen the accounts or to compensate Mr E.

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 E to accept or reject my decision before 26 June 2024.

Anastasia Serdari
Ombudsman