

## **The complaint**

Mrs S complains that OakNorth Bank plc (OakNorth) closed her savings accounts unfairly and without enough notice.

## **What happened**

Mrs S had three savings accounts with OakNorth. When she applied for the accounts, she said she was born in the United States of America (US) and held a US passport.

In November 2023, when reviewing Mrs S' accounts, OakNorth contacted Mrs S to ask for some more information about this. They explained that they required her to provide a US tax identification number for Foreign Account Tax Compliance Act (FATCA) purposes.

Mrs S explained that she didn't have a social security number or a US tax ID number. But OakNorth explained that because she confirmed in her application that she held US citizenship, they would need Mrs S to obtain her tax ID number, or social security number for regulatory and reporting purposes. They referred to their terms and conditions and said that if she couldn't provide it, it may result in her accounts closing.

Mrs S explained that she didn't have one, she had dual citizenship with the United Kingdom (UK) and had no employment, residency, assets, investments, or financial business in the US.

In mid – December OakNorth wrote to Mrs S again and explained that they'd reviewed what she'd told them, but they still required her to obtain a US tax ID number. Once again, they referred to their terms and conditions and explained why they required it, which had been detailed in the privacy notice she would've seen when she applied for the accounts. They asked Mrs S to provide it by 17:00pm on 28 December 2023, otherwise her accounts would be closed the following day, and all money and interest would be sent to her nominated bank account.

Mrs S emailed OakNorth on 20 December to explain why she didn't think she needed to provide it. She said her residency and tax status was within the UK. Her income was under the limit required for filing US tax returns to FATCA, and under the double tax treaty convention, her income should be taxed in the country she resides – which was the UK.

She explained that if OakNorth continued to pursue her for this information or her accounts were closed, she'd complain to this Service.

OakNorth responded on 28 December and confirmed that they still required her to provide her US tax ID number by 17:00pm otherwise they'd close her accounts in line with the letter they sent in mid- December. They also explained they'd respond to her complaint in due course.

Mrs S couldn't provide the information required, and so on 29 December 2023 her accounts were closed, and all money (including interest accrued) was sent to her nominated bank account.

On 13 February 2024, OakNorth responded to Mrs S' complaint. They explained why they needed the information they requested and referred to their terms and conditions. They explained that they couldn't give Mrs S tax advice and referred her to other organisations that might be able to assist her.

However, they did agree that they could've requested it sooner and for the inconvenience caused they agreed to pay £300 compensation.

They also offered Mrs S an additional three months to provide her US tax ID number. They explained that if she could, they would re-open all three savings accounts and put her back in the position she would've been in, had the accounts not been closed on 29 December. They provided details about how they would do this for each savings account.

Mrs S remained unhappy and brought her complaint to this Service. She said that OakNorth didn't need the information they were asking for and they should've given her 90 days' notice to close the account.

One of our Investigators considered the matter. She thought OakNorth was entitled to request the information they were asking for. She also didn't think it was unfair that they closed Mrs S' account when she couldn't provide it. She did however think OakNorth could've asked for the information sooner. But agreed that £300 was fair compensation and the offer to put Mrs S back in the position she would've been in, if she could provide the information within three months, was a reasonable way to put things right.

Mrs S disagreed. She said OakNorth should've provided her with 90 days' notice before closing her account. She explained that she was in the process of trying to obtain her US tax ID number, but it was taking longer than the three months given by OakNorth. She said had OakNorth given her 90 days' notice to close the account, she would've accrued further interest, and this hasn't been paid to her. She asked for the case to be considered by an Ombudsman.

### **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.

#### ***Was OakNorth entitled to ask Mrs S for information about her US tax status?***

I have first considered whether I think OakNorth were entitled to ask Mrs S for the information they requested.

The general terms and conditions for personal savings accounts, say the following:

##### ***Section 13.6:***

*"If we believe that you have tax obligations in other countries, we may disclose information about you directly to those tax authorities or to HM Revenue & Customs, which may share the information with the other tax authorities."*

##### ***Section 13.7:***

*"Foreign Account Tax Compliance Act (FATCA). If you are a US person (hold a US passport or US Born or US Registered address or US Taxpayer) we may be obliged to provide any required details about you and your Account with us. We will inform you by telephone or email if this is the case and you agree to provide us with the*

*required information we are obliged to provide; otherwise, your Account may be closed.*”

OakNorth have also provided details of the privacy notice Mrs S would've seen when she applied for the accounts.

*“The UK government has and is agreeing to inter-governmental agreements to share tax information. We ask for details of your tax residency and in some cases tax reference numbers to enable us to comply with the related UK legislation. If you are a US person (US passport or US Born or US Registered address or US Taxpayer) we may be obliged to provide any required details about you and your account(s) with us to comply with the Foreign Account Tax Compliance Act (FATCA). If we believe that we have tax obligations in other countries, we may disclose information about the bank directly to those tax authorities or to HM Revenue & Customs, who may share that information with other tax authorities. We may disclose information we hold about you directly to those tax authorities or to HM Revenue & Customs, who may also share that information with other tax authorities.”*

There's no dispute that when Mrs S applied for the accounts, she said she was born in the US and held a US passport. As a result of the information provided by Mrs S in her application forms, I'm satisfied that OakNorth were acting in line with the terms and conditions detailed above, when they requested information about her US tax status.

OakNorth have been able to provide screenshots of the application process and when Mrs S would've been notified of the privacy notice. So, it follows that I'm satisfied OakNorth made Mrs S aware prior to opening the accounts about how they might use her information to ensure they're complying with UK legislation and FATCA.

I appreciate other banks accepted Mrs S' testimony without requiring further documentation. But this doesn't mean that it was unfair that OakNorth wanted further evidence to continue providing Mrs S with her savings accounts. I'm satisfied OakNorth clearly explained why they needed information about her tax status in the US and what might happen if they didn't receive the requested information. And in all the circumstances, I'm not persuaded this was unreasonable.

***Did OakNorth give Mrs S reasonable notice that it was going to close her accounts?***

I've then gone on to consider whether OakNorth provided Mrs S with enough notice that they were going to close her accounts.

Having looked at the correspondence between OakNorth and Mrs S, I'm satisfied that they explained what they needed, why and what would happen if it wasn't provided. In the letter they sent to Mrs S on 15 December, they clearly explained that they needed the information by 28 December – giving Mrs S two weeks' notice that if she couldn't provide it, her accounts would be closed.

The General Terms and Conditions that Mrs S agreed to each time she applied for her accounts said the following;

*“If you breach this Agreement in any other way, we may also close your Account by giving you 14 days written notice of our intention to do so.”*

Because Mrs S couldn't provide her US tax ID number, or social security number, OakNorth exercised their right to close her accounts. Once again, I'm satisfied they were acting in line with their terms and conditions when they wrote to Mrs S on 15 December and gave her 14

days' notice.

I note Mrs S thinks she should've been given 90 days' notice, and she has referred to legislation that she says was introduced in 2023. I've considered the relevant legislation, policies and procedures and I'm satisfied there was no requirement on OakNorth to give Mrs S 90 days' notice in these particular circumstances. I'm satisfied OakNorth acted reasonably when it closed Mrs S' accounts after giving 14 days' notice.

### ***The compensation paid by OakNorth***

OakNorth have said that they could've requested information about Mrs S' US tax status sooner and they have paid £300 compensation to reflect this. Given that they acted in line with their terms and conditions, and I'm satisfied that they gave Mrs S reasonable notice to close the accounts – I do not think they necessarily needed to pay compensation. But I note that there was quite a long period of time between Mrs S opening the accounts and OakNorth requesting information about her US tax status. Which may have mismanaged Mrs S' expectations – so I think the compensation they have offered is reasonable.

I also think the offer OakNorth made to Mrs S in their final response letter was fair. They agreed that if Mrs S was able to provide her US tax ID number or social security number in the three months that followed, they would re-open her accounts and backdate any interest she would've accrued. The deadline for this has now passed and Mrs S has told us she hasn't been able to yet obtain this information. OakNorth has said they won't extend the deadline. I think this was a generous offer by OakNorth and I do not think it needs to extend the deadline further.

Taking everything into account, I'm satisfied that OakNorth acted in line with the terms and conditions of the accounts, and they were entitled to ask Mrs S for the information they did. Therefore I do not think they need to pay Mrs S anything further, or offer to re-open her accounts.

### **My final decision**

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 February 2025.

Rachel Killian  
**Ombudsman**