

The complaint

Mr F complains National Westminster Bank Plc (“NatWest”) closed his accounts without explanation. Mr F says as a result he unfairly lost out on realising the financial benefits of his Help-to-Buy (“H2B”) ISA.

Mr F says NatWest’s actions have caused him financial loss, distress, and inconvenience.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my decision.

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.

Account review and closure

Banks in the UK, like NatWest, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers’ accounts.

NatWest has explained and provided evidence as to why it reviewed Mr F’s account. Having carefully reviewed this, I’m satisfied it did so in line with its obligations.

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 F had to comply with, say that it could close the account by giving him at least 60 days’ notice. And in certain circumstances it can close an account immediately or with less notice.

NatWest sent Mr F a letter in November 2022 notifying him that it would be closing his account in 60 days’ time. After 60 days had elapsed, NatWest restricted Mr F’s accounts. Mr F then contacted NatWest in January 2023 and said he had not received the closure notification. Because of this NatWest reissued 60 days’ notice and unrestricted the accounts.

In April 2023, Mr F’s accounts with NatWest, including his H2B ISA, were closed and the closing balance of around £19,300 was sent by cheque to him.

Firstly, I’m satisfied NatWest showed flexibility, and therefore were fair and reasonable when taking Mr F at his word that he hadn’t received the closure notification it sent in November 2022 and restarted the closure process. This gave Mr F 60 days’ more to make

alternative banking arrangements. There is also no doubt Mr F knew of NatWest's decision from that point.

NatWest has provided an explanation as to why it decided to close Mr F's accounts in the way it did. Having looked at this, and the accompanying evidence, I'm satisfied NatWest has applied its terms fairly in doing so.

I know Mr F would like an explanation why NatWest took the actions it did. But it is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information NatWest has provided is information we consider should be kept confidential.

Help-to-Buy ISA

Mr F is particularly unhappy about this as he says he couldn't move his H2B ISA to another provider and realise its benefits to help him buy a home. As a result, Mr F says he has lost out on around £3,000 of government benefits.

NatWest had told Mr F he should be able to *transfer* his HSB ISA. Mr F says he couldn't find a provider as the H2B scheme had ended some time before. I note also that NatWest sent Mr F information about this product and said he would need to research it and what he needed to do.

Mr F had two months to resolve this issue, which I think is a fair and reasonable amount of time. I'm not sure what Mr F said to any prospective new provider, but as the scheme closed, he wouldn't have been able to open a new H2B ISA. However, what he should've been able to do is tell a prospective third-party provider that he was looking to 'transfer' his H2B ISA as opposed to opening a new one.

This is something H2B customers can still do. NatWest were otherwise under no obligation to help Mr F source a provider who could facilitate the transfer.

Its unfortunate Mr F has lost out on the benefits of his H2B ISA which I can see he had been saving towards for quite some time. But as I've said above, NatWest did nothing wrong in closing his account including his H2B ISA. And I don't think it needed to do anymore in terms of what it did to inform him about transferring it.

In passing, I would add that there are other similar schemes Mr F could potentially benefit from.

Mr F says NatWest's actions have caused him financial loss, distress, and inconvenience. But having looked at what's happened, I see no basis on which I might make an award against NatWest given I don't think it's done anything wrong. So I'm not going to ask NatWest to compensate Mr F.

Lastly, I note NatWest offered Mr F £75 for the poor service he received in branch. I don't think NatWest need to do anymore.

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 F to accept or reject my decision before 19 August 2024.

Ketan Nagla
Ombudsman