

## **The complaint**

Mr F complains Cater Allen Limited trading as Cater Allen Private Bank (CA) acted unfairly when it closed his bank account and failed to send him the closing balance.

## **What happened**

Mr F says he held a banking relationship with CA for around 40 years and in 2022 he was asked to provide background information relating to his finances, which he carried out by completing a long /complex document and was assured the matter had been completed. Mr F says in April 2023 CA then requested further information from him and wrote to him at short notice threatening to restrict his bank account if further comprehensive and personal information wasn't forthcoming.

Mr F says he spoke with one of CA's advisors who stated that the further information was required by The Financial Conduct Authority (FCA) but after a short while she disconnected his call. Mr F says he then received a letter from CA stating his account would be restricted within a matter of a few days and this caused Mr F extreme inconvenience as he could no longer access his bank account. Mr F says CA closed his bank account but the remaining balance on the account wasn't sent to him. Mr F also says he sent CA a Subject Access Request (SAR) which took almost two months to receive, outside the standard timescale.

Mr F feels as a long-standing customer of CA the level of information it asked for, simply for him to continue to maintain a bank account that he'd held for decades, was totally unreasonable as some of this information didn't even relate to his financial relationship with CA and much of the information would be known to them, given his bank account history.

Mr F wants CA to return to him the balance of his bank account with interest, apologise for their behaviour over this matter and feels compensation, while can't undo what has happened, should now be paid.

CA says it has an obligation to fulfil its obligations to the FCA and from time to time it may need to request further information from its customers to do so. CA says it did write to Mr F requesting this information following a phone call in April 2023 and advised what the consequences would be if the information wasn't forthcoming. CA says it sent a letter in May 2023 informing Mr F it would be closing his bank account as the information it asked for hadn't been received.

Mr F wasn't happy with CA's response and referred the matter to this service.

The investigator looked at all the available information and partially upheld the complaint. The investigator felt CA should pay Mr F £50 for the inconvenience to him for having to chase CA for the closing account balance, along with 8% simple interest from the date the account was shown as closed on the bank statement. The investigator says while he has some sympathy with Mr F regarding the way the matter was handled overall by CA, it wasn't the role of this service to tell CA what its risk process should be in order for it to meet its FCA requirements for Know Your Customer (KYC) – that's for each business to decide.

The investigator made the point that where a customer's financial affairs are more complex its likely businesses like CA would need to "dig deeper" to satisfy its legal obligations to the FCA. The investigator pointed out it is detailed in CA's account terms and conditions that a bank account could be closed if financial information requested wasn't forthcoming.

The investigator felt although CA could have handled the request for further information from Mr F in a better way – from what he had seen he couldn't be certain this information would have been provided in a format it wanted, considering Mr F's reluctance to provide it. The investigator accepted the SAR took longer to produce than it should have, but he didn't feel it had any significant impact on Mr F - so he didn't feel compensation was warranted for this.

Mr F didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said :

*Having done so, I will also be partially upholding this complaint but with a slightly different outcome and I will explain how I have come to my decision.*

*Mr F has provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point he has made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything he's said – I have. But it's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.*

*I can understand this matter has been both frustrating and upsetting for Mr F and when looking at this complaint I will consider if CA acted reasonably when it asked for the depth of information it did, before closing Mr F's bank account.*

*Mr F's complaint centres around the fact as a long-standing customer of CA, it has been unreasonable in the amount of information it asked of him before it would allow the continuation of his banking facilities with them.*

*The first thing to say here is CA like all banks, have a duty and obligation to complete regular KYC checks for all its customers and this isn't something it can opt in or out of. It's also worth saying it's not the role of this service to tell banks like CA what frequency this must be nor what level of information and questions it must limit itself to.*

*What is also fair to conclude, is that where an individual's financial dealings are more complex, it's reasonable to expect the level of the information required by that bank to perhaps be more in depth than one would normally expect to see. From the information I have seen I'm satisfied on balance that was the case here.*

*While I know Mr F feels strongly about this matter I can see no evidence to suggest CA have deliberately used this KYC process to exit the banking relationship. Having said that I do have some sympathy with Mr F in the way CA conducted the KYC process and its communication during this time. While as I said earlier, it's not for me to tell CA what information it must ask for in these circumstances, I would expect it to handle what is after all a delicate process in a professional way, considering the long-standing banking relationship here.*

*I say this because CA had the opportunity to have completed its KYC requirements much sooner than it did when it initially spoke with Mr F back in 2022, but it didn't follow up this review with further questions it says it needed answering, until April 2023 - so it's possible this may have led Mr F into thinking the need for this was less important than it actually was.*

*Furthermore, I have listened to a phone call in April 2023 where the agent seemed to have got frustrated over what I would consider a reasonable level of counter questioning by Mr F and simply hung up on him. CA have admitted that this was wrong and have also accepted given the importance of the call, a more senior member of staff should have followed this up - but didn't.*

*Additionally, even when Mr F pointed out there was no cheque enclosed for the closing balance of his bank account, in a covering letter sent in July 2023 it took until January 2024 before this was finally put right. CA have also accepted it took longer to provide the SAR for Mr F than it should have – although I'm satisfied this hasn't had a material effect on this complaint.*

*So, in conclusion while CA were entitled to ask for further KYC information from Mr F, the way in which it went about this wasn't undertaken in a way I would have expected for the reasons I have already stated. With that in mind considering the inconvenience this has caused I propose that a more reasonable level of redress for this should be £250.*

*In addition, like the investigator, I propose CA should pay Mr F 8% simple interest on the closing balance of his bank account from the date of closure until he finally received the payment into his bank account in January 2024. While neither party may be happy with my provisional decision I am satisfied this is a fair outcome here.*

*Both Mr F and CA responded to my provisional decision, so the case has been passed back to me to make a final 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.

I gave both Mr F and CA until 3 September 2024 to accept or reject my provisional decision. CA have accepted my provisional decision. Mr F has said while he doesn't fully agree with the conclusions he has reluctantly accepted my provisional decision.

With that in mind I see no reason to change my original provisional decision and so my final decision remains the same.

### **Putting things right**

I instruct Cater Allen Limited trading as Cater Allen Private Bank to pay Mr F £250 for the trouble and upset caused and in addition 8% simple interest on the closing balance of his bank account from the date of closure until funds were sent to his other bank account.

### **My final decision**

My final decision is I partially uphold this complaint.

I instruct Cater Allen Limited trading as Cater Allen Private Bank to pay Mr F £250 for the trouble and upset caused and in addition 8% simple interest on the closing balance of his bank account from the date of closure until funds were sent to his other bank account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 September 2024.

Barry White  
**Ombudsman**