

The complaint

Mrs P complains National Westminster Bank Plc unfairly closed her accounts without telling her why, delayed releasing the funds they held, and provided poor customer service.

What happened

What follows repeats much of the background I set out in my provisional decision. I'm repeating some of that same background here as it remains relevant to this final decision.

Mrs P held several accounts with NatWest both personally and for her business accounts. This final decision concerns only her personal accounts. The company she acts for is a different legal person to her and cannot accept or reject a decision for a complaint about personal accounts for which it was not NatWest's customer. The complaint brought by Mrs P on behalf of her company is considered in a different decision, as is the complaint she brought regarding her other business account.

In early February 2022 Mrs P's personal accounts were closed with immediate effect. Mrs P contacted NatWest on multiple occasions to firstly ask why her accounts were closed and then to obtain the funds held in them. NatWest said they didn't need to tell her why they closed her account under their terms and conditions, although Mrs P says the terms and conditions NatWest are relying don't apply to her circumstances, as she has not in any way acted improperly on her accounts.

NatWest eventually transferred the funds they held to another account Mrs P opened with a different provider in March 2022. She says she suffered a lot of distress and inconvenience as a result of NatWest's actions and firmly believes she has been treated very unfairly. The accounts held all of her funds to cover personal liabilities and to support her adult son. She was also abroad recovering from surgery when the accounts closed preventing her from easily making alternative arrangements.

Our investigator upheld Mrs P's complaint primarily on the basis that NatWest failed to provide sufficient information to them to demonstrate whether they had treated Mrs P fairly. Although NatWest agreed to the redress our investigator recommended, Mrs P did not. As a result, her complaint was passed to me to make a final decision in my capacity as an ombudsman.

I obtained further information from NatWest on why they closed Mrs P's accounts, and I provisionally decided not to uphold her complaint. I said:

"NatWest have important legal and regulatory obligations to abide by when providing accounts to customers. Those obligations are ongoing and to fulfil them, they may carry out reviews on accounts and their customers, which may mean sometimes restricting access to accounts without notice and deciding to terminate their relationship with customers.

NatWest initially refused to provide further information to our service to sufficiently demonstrate why they closed Mrs P's accounts. So, our investigator concluded they couldn't say Mrs P had been treated fairly. But NatWest went on to provide further information for my consideration as an ombudsman.

After carefully considering the content of what NatWest went on to provide, I don't find awarding Mrs P compensation would be fair or appropriate. I understand she will naturally want to know the information I have weighed in order to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's handbook.

DISP sets out in the main our service's jurisdiction and powers, including those which pertain to information and evidence.

DISP 3.5.9 R states:

" The Ombudsman may:

(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;

(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;

..."

Accordingly, I have accepted information in confidence which I am not disclosing to Mrs P.

The description of that information is it's of a nature which justifies NatWest's decision, and which has led me to provisionally decide that awarding her compensation would not be a fair or appropriate outcome for immediately closing her accounts or any of the matters she has brought as part of this complaint which flowed from this action.

Mrs P told NatWest that in the absence of knowing why her accounts were closed, she thinks their reasons must relate to her age and/or sex. I appreciate that in the absence of other information, she feels NatWest's reasons may be discriminatory. But having reviewed their reasons, I'm satisfied they don't relate to any protected characteristic she may hold. Instead, I find their reasons were legitimate and I don't require their disclosure."

Mrs P disagreed with my outcome. In summary she said NatWest closed her accounts for no reason at all and she is very disappointed I accepted information in confidence. She believes I misapplied DISP 3.5.9 R by not providing a sufficient description of the information I accepted in confidence and while I have the power to accept information in confidence I am not obliged to. She also said NatWest's reasons must not relate to anti money laundering concerns given her funds were returned to her.

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've decided not to uphold Mrs P's complaint. I've considered what Mrs P has said in response to my provisional decision, but it has not changed the outcome I have reached. My reasons for not upholding her complaint are the same as those in my provisional decision, which is copied above, and which now form my findings for this final decision.

I'm still accepting the information NatWest provided to me in confidence. Mrs P believes I have misapplied DISP 3.5.9R, but I'm satisfied that a description of the information is it relates to the customer relationship Mrs P held with the bank, including her accounts and their use, and it provides the basis of NatWest's reasons for terminating their relationship with her and the accounts she had mandate over. I'm satisfied that the nature of the information is confidential, such that any further description would compromise that confidentiality. I don't find the rule requires me to provide more of a description than I have.

Mrs P finds this very unsatisfactory, but this is the decision I have made and one I find appropriate. It is not one I have taken lightly. As a result of the information NatWest provided, I find they had valid grounds to close the account in the manner it did, and they didn't breach their terms and conditions. I don't require NatWest to pay Mrs P compensation as a result of their actions.

Mrs P says NatWest's reasons can't be related to anti money laundering because the funds in her accounts were returned to her. This is an implication Mrs P has drawn, but I am not revealing what NatWest's reasons are or how they relate to the return of the funds they held to her.

My final decision

My final decision is I'm not upholding Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 20 September 2024.

Liam King
Ombudsman