

## **The complaint**

H, a limited company, complains National Westminster Bank Plc unfairly closed its account without an explanation, delayed releasing the funds it 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 is H's director and brings this complaint on its behalf. Mrs P also held other accounts in her name which NatWest closed, and which are the subject of other complaints with our service. This decision only regards the closure of H's account, as H cannot accept or reject a decision in relation to accounts for which it isn't eligible to complain.

H held a business current account with NatWest. In early February 2022 NatWest decided to terminate its relationship with Mrs P and closed her personal accounts, which Mrs P complained about.

Later on, NatWest took the decision to block and close H's account, along with another business account Mrs P jointly held with a former partner, although that partner was no longer involved in the business. Mrs P believes this later action stemmed from her drawing her business accounts to NatWest's attention when communicating about the closure of her personal accounts.

NatWest eventually transferred the funds that were in H's account to Mrs P in March 2022.

Mrs P said she experienced great distress and inconvenience, and H's reputation was affected by not being able to transact as it would normally. She says she had to contact tenants to rearrange rental payments, as well as creditors. She was also abroad at the time recovering from surgery, which made matters more difficult.

Our investigator upheld H's complaint based on NatWest failing to provide them with the information they needed, and recommended compensation. Mrs P disagreed with the outcome, and H's complaint was passed to me to decide in my capacity as an ombudsman.

I received further information from NatWest and provisionally decided to not uphold H's complaint. I said:

"I've provisionally decided not to uphold H's complaint or require NatWest to pay compensation to H for the losses it experienced that stemmed from the loss of the account and not having ready access to the funds held in it.

Firstly, I must explain that I cannot consider the personal losses Mrs P experienced, such as distress. This is because the eligible complainant for this complaint is H, a separate legal person to Mrs P. I can only award losses it has experienced, and this wouldn't include emotional distress given a limited company cannot suffer this kind of loss.

NatWest has important legal and regulatory obligations to carry out when providing accounts. To fulfil those obligations, it's common industry practice for firms, including NatWest, to carry out reviews, which may either be event driven or periodic. As part of a review a firm might without notice block an account and/or decide to close an account, and sometimes they may close an account immediately depending on the nature of their review and its results.

When our investigator recommended redress be paid to H this was because NatWest had failed to provide them with the information they needed to conclude whether their decision and subsequent actions were fair or not. But since this time NatWest have provided further information about the basis of their decision for my consideration.

After carefully considering the content of what NatWest provided, I don't find awarding H compensation would be fair or appropriate. I understand Mrs P will want to know the information I have weighed to reach this finding. But I have accepted 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 regulatory 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;*

*..."*

So, I am not disclosing to H or Mrs P the information I have accepted in confidence. The description of that information is it's of an understandably confidential nature which justifies NatWest's decision, and which has led me to provisionally decide that awarding H compensation would not be a fair or appropriate outcome for immediately closing its account and the losses it experienced that flowed from this action.

So, I am not currently awarding compensation to H for the effects it may have suffered, including financial loss, business inconvenience or interruption, or damage caused to its reputation."

Mrs P on behalf of H disagreed with my provisional outcome. In summary she said NatWest closed her accounts for no reason at all and she was very disappointed I accepted information from them 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 H's complaint. I've considered what Mrs P has said in response to my provisional decision, but it's not changed the outcome I have reached. My reasons for not upholding H's 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 and H held with the bank, including her accounts and H's account and their use, and it provides the basis of NatWest's reasons for terminating their relationship with her and H. 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 H's account in the manner they did, and they didn't breach their terms and conditions. I don't require NatWest to pay H compensation as a result of their actions.

Mrs P has said NatWest's concerns must not relate to anti money laundering, and I understand why she is drawing conclusions on what their reasons were or weren't. But I am not commenting further on what NatWest's reasons were or how they relate to their decision to return the funds held in H's account to her.

## **My final decision**

My final decision is I do not uphold H's complaint.

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

Liam King  
**Ombudsman**