

The complaint

Mr K complains National Westminster Bank Plc (NatWest) made a mistake with closing his account and giving him information, which led to a number of difficulties. He'd like to be fairly compensated for the impact.

What happened

A summary of what happened is below.

Mr K went online to complete a request to close his account. However, he changed his mind after thinking about the payments he had coming in and out of the account. He called the bank the next day and spoke to one of its agents.

The agent reassured Mr K that the closure could be stopped (completing a form) and that his regular payments wouldn't be affected. However, Mr K soon realised there was a problem when the account no longer appeared on his app, after attempting to pay for some shopping.

NatWest told Mr K that his account had been closed following his online request. He raised a complaint about this, explaining what the agent had said and that he'd now be left without any money due into the account.

NatWest offered Mr K £50 as a gesture of goodwill whilst it looked into things. Mr K accepted this, after being assured it wouldn't go against him in relation to his complaint.

Mr K noticed a lot of his direct debits were being rejected and these had been assigned to his savings account. A member of staff said she would look into this but in relation to the closure of the account, the bank would like to offer another £400 until the investigation was completed. Mr K wasn't keen on accepting this as he didn't feel it addressed the true impact of what had happened. However, he agreed to accept this and a further offer of £600 on the basis this wasn't concluded, and that he was about to go on his family holiday and didn't have enough funds now.

The bank issued its written response on the complaint. In it, it said its agent had incorrectly told Mr K that his request to close the account could be cancelled. He should have been told this wasn't possible at the outset. It understood the mistake had caused Mr K unnecessary distress and inconvenience. To say sorry and recognise the difficulties this had caused, it reiterated it had paid £1,050 and said it would look at reimbursing any charges from the direct debits.

However, Mr K didn't think this went far enough in addressing the emotional and financial impact. He said if he hadn't accepted the compensation, he would have had to cancel the family holiday, which he and his wife had worked hard for. And they hadn't enjoyed the trip as planned because he had to cut back on activities, only having enough money for essentials due to his salary payment and other credits not being available on the account for spending. He added that he was still getting letters regarding non-payment of his direct debits.

Mr K opened a new bank account, and he asked us to take a look. Whilst doing so, he also confirmed most companies had waived charges.

One of our investigators agreed the bank had made a mistake in not giving the correct information up front. He also acknowledged the poor service had resulted in significant distress and inconvenience, but he considered the compensation paid to be fair and reasonable. However, Mr K didn't agree. He said the bank had told him the closure could be stopped. He set out again the impact and said he considered £2,600 was more reflective of his actual loss.

When a consensus couldn't be reached, the complaint was put forward for a decision as the second and final stage in our process.

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 won't be asking NatWest to do anymore on this complaint as I consider it took reasonable steps to resolve it. I will explain why and though I have read and considered all the evidence I will focus on what I consider to be the central issues.

NatWest has explained the request to close the account couldn't actually be stopped and its agent made a mistake in not realising this and giving Mr K the correct information at the first point of contact. So, I don't think there's anything to be gained by commenting on the mistake further. The key point is what should NatWest be required to do when assessing the impact.

If the correct information had been given, there would always have been a degree of inconvenience in setting up a new account and switching over regular payments. However, this was exacerbated when Mr K was left to discover the mistake and by which point, he'd already lost some time in moving everything over. I can understand how embarrassing and upsetting this must have been and the urgency this then created in sorting things out. Fortunately, the companies to whom the direct debits related were understanding and waived charges, so that's not something that needs reimbursing. Though I note the bank had already agreed to cover these, if Mr K was able to provide supporting information. I think this was the right approach for NatWest to take.

Weighing everything, I've ultimately concluded the compensation paid is fair in the circumstances. In doing so, I've considered everything Mr K has said about his holiday, but I've also taken into account what NatWest did to try and put things right. I can see that it apologised quickly, acknowledging the significant disruption caused, which now required extra effort from Mr K in dealing with this. I don't doubt that this also affected the enjoyment of the family holiday given the timing, but the level of compensation paid here is substantial and, in my view, allows him to use that to do something nice for his family. Overall, I think the steps taken by the bank in their entirety were a fair way to resolve the complaint. It follows that I won't be requiring it to do anymore.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 November 2024.

Sarita Taylor
Ombudsman