

## The complaint

M, a limited company, complains that National Westminster Bank Plc needlessly repeated a business profile review, and this led to its accounts being blocked.

## What happened

M says it had already completed a business profile review with NatWest including for other businesses linked to its director. But it says that it was contacted again and asked to complete a further exercise. M complained but NatWest told it that there was no error. The account was blocked from 19 February 2024 to 8 March 2024 and then from 27 March 2024 to 29 April 2024. Payments couldn't be made, and M says this affected the business and its reputation.

NatWest had issued a final response letter to M's complaint on 15 February 2024. This followed a call with the director in which he'd been told that M would need to complete the review. And that it was a legal and regulatory requirement for NatWest to carry such reviews out. So, it then said it hadn't made a mistake. Following the referral of the complaint to this service NatWest has conceded that the further review was due to a systems error and so not needed. It has since made an offer of settlement including to cover what happened when the accounts were blocked. This is to pay M £1,000 in compensation, refund bank charges for unpaid items of £108 and to pay simple interest of eight per cent per annum on the account balances during the time of the blocks. NatWest noted that M had separately complained about its accounts being closed but said that it hadn't considered this here.

Our investigator didn't recommend that NatWest now do more than it had offered to. He clarified that this complaint related to one brought by M only and wouldn't cover its further complaint about the closure of the accounts. He said that he'd seen that NatWest had contacted M in November 2023 following a previous business profile review to say that this had been completed. But that M was contacted again in December 2023 by NatWest and told that it needed to provide information as part of a review. Our investigator understood that there had been a change to the business structure of M in January 2024.

Our investigator said he'd listened to a recording of M's call with NatWest about its complaint on 15 February 2024. NatWest had told the director that no mistake had been made and M had two days to complete the review, or the accounts would be blocked. M didn't attempt to complete the review then and the accounts were blocked, and payments returned. The director had provided details of calls he'd made to NatWest about this. M had explained to this service that it didn't have a trading turnover at the time but that it had to pay business expenses. And the director said that M had to take action to mitigate the impact of the restrictions and arrange payments from alternative sources. Our investigator said he thought that the offer of compensation was reasonable to reflect what had happened and was in line with our published guidance about compensation. He didn't think that there were grounds to pay M £100,000 as it had asked for.

M didn't agree and wanted the complaint to be reviewed by an ombudsman. The director said that there had been no change to the structure of M. And it referred to the review being linked to other distinct businesses and 'strange' markers being added to those accounts. It

hadn't been clarified in the further letters to M that the review was taking place despite a review having been completed before. And it wasn't clear what ongoing checks were needed. If NatWest had properly reviewed M's complaint it seemed none of this would have happened. M said that as part of the review only the driving licence of the director was requested which NatWest already had. And the review took a very long time despite repeated calls. M asked that we obtain details of all the information it was asked to complete, when it was asked for, when it was provided and reviewed and a log of all calls and emails with the action taken.

### **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.

This service provides informal dispute resolution, and we don't make punitive awards. If M doesn't agree with my decision it remains free to pursue this matter through legal action subject to any relevant time limits..

We've already asked NatWest to provide details of what happened and why. It has admitted that the further business profile review arose from a systems error. And so, there is little more it can say about why the review was needed and what was additionally asked for.

I've seen copies of the letters it sent about the review, and I note the letter of 19 December 2023 stated:

*"We appreciate you may have completed a similar review before, however this request forms part of ongoing checks to ensure the information we hold on your business is accurate."*

I've seen a copy of the director's driving licence certified on 1 March 2024 which he's referred to having submitted. On 8 March 2024 I note NatWest agreed that M have more time to complete the review and the block then in place was lifted. I've also seen a record that M had uploaded documents on 12 March 2024. And a note of a call the director had with NatWest dated 13 March 2024 in which it was reported he was asked about the trading of M and why its company accounts were delayed and the impact of that.

I note that M referred its complaint to this service on 11 April 2024. And that it seems it was only after we contacted NatWest about the complaint that the account block then in place was removed. M has provided its record of calls the director made and I don't have reason to doubt what it says about what happened.

This is a summary of the evidence about what happened with the account blocks I place weight on, and I don't consider I need to request more from NatWest to make a fair decision. And as we've already asked NatWest for what is available from systems records I don't think that there is more information in any event to assist. The position is as I've said that the NatWest system was in error recording that the review wasn't completed and there is no clear reason to explain why.

M has also in my view had a fair opportunity to support what it says about the impact of what happened and provide its own evidence. And to explain the mitigation it had to carry out. I note that as our investigator stated the director indicated he wasn't going to co-operate with the review when he spoke to NatWest about the complaint. I think it's possible he may have been able to avoid the accounts being blocked the first time had he done so. And I take into account that NatWest later agreed to an extension from 8 March 2024 when it seems it was

indicated M would provide information. But despite the director then doing so the NatWest system still showed that the review wasn't complete and blocked the accounts for reasons that aren't explained. And as I've said this was only addressed by NatWest following the referral of M's complaint.

### *My assessment*

I'm afraid I see no realistic or supported basis for an award of £100,000 as M has asked for and I referred above to its other options to our service.

In making my assessment I take into account everything that M has said including about the inconvenience of this unnecessary review and the impact on its reputation. And that although M may have been able to delay some element of the account blocks by engaging earlier on, it had also clearly brought the issue in a complaint to NatWest in advance of the blocks happening. I note the periods when the accounts were blocked, and M didn't have access to its money. And when payments were returned, and it had to make other arrangements. But that it also didn't have a trading turnover as it seems its premises were under renovation at that time.

I've taken into account our published guidance about compensation and formed my own judgement about what is reasonable. Having done so I consider an award of £1,000 is appropriate here to reflect the inconvenience and the level of disruption described by M and through the impact of the account being blocked. And the interest offered in my view reflects M being deprived of access to its funds and having to make alternative arrangements for payments. The additional charges relating to the blocks that resulted are to be refunded.

Having balanced all the factors here I have decided that the offer of settlement by NatWest is fair and reasonable, and so I won't be requiring it to do anything more than that.

### **My final decision**

My decision is that I uphold this complaint and I require National Westminster Bank Plc to take the actions it has now offered to do, and which are to:

- 1) Pay M total compensation of £1,000.
- 2) Pay M simple interest of eight per cent per annum on the credit balances on its accounts in the periods that the accounts were blocked and being 19 February to 8 March 2024 inclusive and 27 March to 29 April 2024 inclusive.

3) Refund bank charges relating to items returned unpaid during these periods.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 14 November 2024.

Michael Crewe  
**Ombudsman**