

The complaint

Mr A complains about National Westminster Bank Plc's decision not to provide him with a student account.

What happened

In September 2024, Mr A made an application for a student account with NatWest. He did so after receiving an unconditional offer from a university and was attracted by some of the features NatWest's accounts offered. Mr A applied for a student account but was surprised and disappointed that his application was rejected on the basis that he couldn't provide a number from the University and Colleges Admissions Service ("UCAS").

Mr A felt that decision was unfair and arbitrary – given that he could provide evidence to show he is a student, just not a UCAS number, as he hadn't used that service when applying. So he complained to NatWest, which responded to explain that it had followed the correct process here and referred Mr A to the opening information and relevant terms for its student account.

Unhappy with NatWest's response, Mr A referred his complaint to our service where one of our investigators looked into it. They said that NatWest is entitled to set its eligibility criteria as a business and that while other businesses may not insist on a UCAS code, NatWest is entitled to. The investigator said that the information NatWest provided as part of the application process was clear that a UCAS number was needed and that the application would be declined without it. They felt this was clear and gave potential customers enough information to assess their options.

Mr A disagreed with this. He remains of the opinion that NatWest's policy is arbitrary and creates an unfair barrier for him and other students who haven't used UCAS. He felt that NatWest hadn't demonstrated how a UCAS number specifically affects a student's eligibility or financial reliability in respect of this account. So the complaint was passed to an ombudsman to decide.

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 can understand Mr A's position here. He is a student and he has evidence to support this from a university (which I imagine would now likely include a student ID too). From his perspective, he is a student who is applying for a student account – so I can understand his surprise and frustration that NatWest isn't approving his application for an account that, on the face of it, he would seem eligible for.

But NatWest is clear that customers applying for its student account need a UCAS code. The eligibility criteria explain:

"To confirm you're a student and eligible for this account, we require your unique 16

digit UCAS code. Courses without a UCAS code are not eligible for our student account."

This information is made clear to customers before they apply for the account. Then during the application, if a customer doesn't input a UCAS code they are presented with a message that reads:

"Sorry you can't apply for a student account now: We need to confirm you are eligible for a Student account and the unique UCAS code is the fastest way to prove this. If you are full time undergraduate student (on at least a 2-year course at a UK University / College), a full time postgraduate or on a nursing course lasting a year or more, you will have been provided with a UCAS code. You can apply within 6 months of your course start date. Part Time students including apprenticeships are excluded. Don't worry, we have a range of other current accounts which may suit your banking needs".

So the need for a UCAS code is made clear before - and during - the application process in a timely way. The question that remains is whether it's fair and reasonable that NatWest is maintaining its decision to follow these terms and requirements in the circumstances here. In my view it is. NatWest is entitled to set its eligibility criteria and requirements for its accounts. It's not for this service to tell it otherwise. But we can consider whether they have led to a fair and reasonable outcome in the individual circumstances of a complaint.

Mr A views NatWest's policy and criteria here as arbitrary and as creating an unfair barrier. As I've said elsewhere in this decision – I can understand why he sees it this way. But this service is impartial and has to consider both sides of a dispute. So we have asked NatWest for more information on why it insists on having a UCAS code, which it has provided us. Some of this information is sensitive to NatWest and so can't be shared more widely in full. But in summary, what it told us relates to the difficulties in verifying documents that can be provided as proof of study and the fact that student accounts can be targeted by fraudsters. By asking for a UCAS code, NatWest can verify a customer's status more efficiently and reliably.

So while I see Mr A's point – I don't think NatWest's policy is arbitrary. It is based around factors that it's entitled to consider as a business. While this may mean that customers like Mr A don't get the account they want – I think that's a position that NatWest is entitled to take as a business and one which it has taken fairly here. Just because other providers and banks are willing to accept applications from students without UCAS numbers, that doesn't mean that NatWest has to – if it has good reason that it doesn't want to, as I'm satisfied is the case here.

NatWest has confirmed that this decision doesn't mean that it's not willing to offer Mr A any banking services – he is free to apply for other accounts and services with it. It's just that without the UCAS code, he can't apply for a student account. Mr A looks to want a student account in his circumstances, in which case he may need to pursue applications with other providers. But I'm satisfied NatWest has acted fairly and reasonably in declining his application.

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 A to accept or reject my decision before 15 January 2025.

James Staples
Ombudsman