

The complaint

W, a company, complains that National Westminster Bank Plc blocked and then closed its business account. It complains too that it was not sent a replacement bank card. W has been represented by its director, whom I'll call "Mr T".

What happened

In January 2024 NatWest decided to conduct a review of W's account. It sent W a letter and an email on 23 January, followed by a text message on 31 January and further reminders on 7 and 8 February. The bank's communications said that it needed further information about W's business activities.

Mr T contacted the bank on 14 February to check the log in details so that he could provide the information needed. The bank took the view, however, that it needed more information; it wrote to W by email and post on 15 February to explain that. NatWest received no reply, so it wrote again on 26 February. It said the account would be restricted if the information was not provided by 16 March – two weeks after its previous deadline.

The bank did not receive the information it needed, and the account was restricted on 18 March 2024.

On 17 April 2024 the bank wrote to W to say that the account would be closed with effect from 16 July 2024 – that is, after 90 days. Mr T contacted the bank to ask it to review its decision. He said he had not received any of the correspondence after he contacted it on 14 February.

NatWest did not change its decision to close the account, and the balance was sent to W.

Mr T also said that he had requested a new bank card in January 2024, but that it had never been received. He repeated the request in July 2024, but was told that no card could be sent because of the restrictions on the account.

Mr T referred the matter to this service on behalf of W. Our investigator did not recommend that W's complaint be upheld. She noted that NatWest had used the contact details held on W's file. It had taken the decision to close the account fairly and had communicated it to W. Whilst it had told Mr T to complete a new card application in July 2024, it explained almost immediately that it would not, after all, be able to issue one.

Mr T did not accept the investigator's assessment and asked that an ombudsman review W's complaint.

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.

Having done so, I have reached the same overall conclusions as the investigator did, and for broadly the same reasons.

It is generally for banks to decide whether they wish to provide, or continue to provide, banking facilities to any customer. As long as it is exercised legitimately, this service won't generally interfere with a bank's commercial discretion in such matters.

A bank should however give reasonable notice before closing an account. What is reasonable depends on the circumstances, and a longer notice period might be appropriate for some business accounts than for a personal account.

Banks also have certain legal and regulatory obligations, which may require them to review transactions or the wider operation of accounts from time to time. And it may sometimes be necessary to suspend or restrict an account while a review is carried out.

In this case, I am satisfied that NatWest acted fairly in deciding to review W's account and, when it did not have the information it needed to complete its review, restricting and then closing the account. And I believe that 90 days' notice was reasonable too. It gave W enough time to make alternative arrangements. And I note as well that the account had a low balance and had not been used very much in the months before the bank took the closure decision. Any inconvenience was therefore relatively minor.

I turn then to the bank's communication with W. I am satisfied that it used the postal and email addresses it had registered to the account. The postal address was changed on 31 January and again on March 2024, so it is possible that some letters went missing. But the account terms said that the bank could communicate by a number of means (including by post and email) and said that the account holder should ensure that contact details were kept up to date.

I do not need to decide whether post or emails were actually received. It is sufficient that the bank gave notice in line with the account terms, and I'm satisfied it did. I make the same comments in respect of the replacement card in January 2024. And I agree too with the investigator's comments about the application for a replacement card made in July 2024. I would add only that Mr T would have known that the account was restricted at that point, so might have anticipated that no new card would be provided.

My final decision

For these reasons, my final decision is that I do not uphold W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 23 July 2025.

Mike Ingram

Ombudsman