

## **The complaint**

Miss I complains National Westminster Bank Plc (“NatWest”):

- Blocked and the closed her accounts and did so without explanation.
- Only allowed access to her funds during the time the accounts were blocked by going into a branch which was impossible for her due to working and transport issues.
- Her student account was incorrectly converted into a current account.
- Prevented her from participating in the account switching scheme which led to her losing out on £175 incentive scheme from the new bank. And moving her account took over five hours to do through online and face-to-face interactions.
- Discriminated against her. And she’s been the victim of emotional, financial, and institutional abuse. NatWest’s actions affected her mental health and meant she had less time to care for her mother.
- Haven’t refunded all outstanding fees and charges to her.
- Mistreated her in a June 2024 branch visit, where she was ignored and made to feel unimportant.

Miss I says NatWest’s action have caused her significant distress and inconvenience for which she should be given proportionate compensation. She also wants all refunds she’s highlighted in her submissions refunded.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In November 2023, Miss I complained to NatWest about it erroneously converting her student account to a standard current account. NatWest accepted this was an error and converted it back and refunded any fees Miss I had been charged in error.

Between 23 February 2024 and 5 March 2024, NatWest restricted Miss I’s accounts. She could only access her funds by going into a NatWest branch during this time. NatWest then gave Miss I 90 days’ notice that it was closing all her accounts. Miss I couldn’t use the CASS (Current Account Switch Service) in moving her services to another provider. Because of this Miss I says she unfairly lost out on her new bank’s £175 switching incentive – and had to pay it other fees.

Unhappy about this and other actions as referenced in ‘the complaint’ section above, Miss I complained. NatWest upheld some of Miss I’s complaint points in a series of complaint responses but didn’t uphold others. In the main, it said that it hadn’t blocked or closed the

accounts unfairly, and it had explained that she couldn't use the CASS service. It refunded some fees and paid compensation to Miss I, predominantly related to customer service failings.

Unhappy, Miss I referred her complaint to this service. Our Investigator didn't uphold Miss I's complaint. Miss I didn't agree with what they said. In the interest of pragmatism, and given both parties have seen a copy, I won't summarise their key findings here. Instead, I will now focus on giving reasons for my decision.

### **What I've decided – and why**

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Miss I and NatWest have said before reaching my decision.

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 decided not to uphold this complaint. I know this will disappoint Miss I, and I'd like to assure her that I have not undervalued the strength of her feeling, and the impact she's explained NatWest's actions have had on her. So, I'll explain why.

### **Account blocks and closures**

Banks in the UK, like NatWest, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means NatWest needs to restrict, or in some cases go as far as closing, customers' accounts.

NatWest has explained and provided me with supporting evidence as to why it reviewed and restricted Miss I's accounts for around ten days. Having closely considered this, I'm satisfied NatWest acted in line with its obligations.

NatWest is entitled to close an account just as a customer may close an account with it. But before NatWest closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which NatWest and Miss I had to comply with, say that it could close the accounts by giving her at least 60 days' notice. And in certain circumstances it can close an account immediately or with less notice.

NatWest gave Miss I 90 days' notice with full access to her funds during this time. NatWest has also explained why it decided to close Miss I's accounts and provided me with supporting evidence. Having considered this, I'm satisfied NatWest closed Miss I's accounts in line with its terms and conditions.

I note Miss I would like a detailed explanation as to why NatWest took these actions. But NatWest is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive

information. Some of the information NatWest has provided is information I consider should be kept confidential.

For completeness, I should add that I don't think NatWest did anything wrong in allowing Miss I access to her funds during the time her accounts were blocked by having to visit a branch. Had it not given her access whilst it completed its review, I would likely find this to be fair, and in line with its obligations.

So, to summarise, I'm satisfied NatWest hasn't done anything wrong in reviewing, restricting and then closing Miss I's accounts in the way it did. That means I see no basis for awarding any compensation for the distress and inconvenience Miss I says she suffered because of this.

#### Switching of account

Miss I is unhappy NatWest prevented her from using the CASS service thereby meaning she lost out on £175 switching incentive from her new bank. And that she has had to pay charges to the new account provider as part of its new offering of banking services to her.

NatWest however explained in its closure notification that the switching service wouldn't be available to her. This is also in line with NatWest's terms and condition for switching accounts. As NatWest hasn't done anything wrong here, I see no basis why it should compensate Miss I for the switching incentive she says she has lost out on.

Miss I also had the opportunity to choose her new bank, and that would've involved accepting its fees and charges schedule. So, I don't see how this is something NatWest ought to be liable for. I also agree NatWest acted fairly and flexibly in giving more than the 60 days' notice it needed to give Miss I to transition her regular payments over.

#### Conversion of student account

NatWest accepted in one of its responses that it had erroneously converted her student account to a current account. Because of this NatWest reconverted the account back to a student one, and compensated Miss I in total £145 for the inconvenience and distress this caused her to resolve. It also refunded around £3.60 of charges and upcoming direct debit fee was waived.

I don't think NatWest needs to do anymore here, and it has acted fairly and reasonably in the remediation actions it took. I also think NatWest acted appropriately in dealing with this complaint point and did so in a timely manner.

#### Discrimination and institutional abuse

Miss I has said NatWest's actions were discriminatory against her, and she has been the victim of emotional, financial, and institutional abuse.

I want to make clear I do not doubt how genuinely Miss I feels about this matter and the upset NatWest's actions have caused her. While I appreciate this is Miss I's perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Miss I has said when deciding what I think is the fair and reasonable outcome.

Part of this has meant considering the provisions of The Equality Act 2010. But after doing so, I've not seen evidence to indicate Miss I was treated unfairly.

### Other points

- From the information I've been provided, I'm satisfied NatWest have fairly refunded the account charges it has. And that it doesn't need to do anymore.
- Its reasonable NatWest should send Miss I the ISA account statements so that she can review and see if she has received the interest she believes should have been paid.
- Miss I is unhappy about the branch staff not providing her with any tangible answers and support when she went to it in June 2024. I can understand why Miss I is upset by this. But given her accounts had closed and given NatWest didn't need to provide an explanation for the closures, I don't think it did anything wrong here. Nor have I seen compelling or persuasive evidence that Miss I was treated unfairly or inappropriately. NatWest paid Miss I £50 compensation for her branch visit. I can't see that it needs to do anymore.

So, after weighing everything up, I see no basis to uphold any part of this complaint and make no directions, including for any further compensation to be awarded than that NatWest has already paid.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 15 April 2025.

Ketan Nagla

**Ombudsman**