

The complaint

Ms C complains National Westminster Bank Plc trading as Ulster Bank unfairly closed her account without explanation. Ms C says she experienced poor service and severe delays in receiving her funds.

What happened

Ms C opened a savings account with Ulster Bank on 28 December 2023 and deposited funds. As part of its due diligence process Ulster Bank reviewed the account and on 9 January 2024 the account was closed.

In order to reclaim the funds within the account Ms C had to complete a funds release form, which she returned on 11 January 2024. Ulster Bank explained it could take up to 60 days for the funds to be released.

Following the submission of the relevant form Ms C asked Ulster for updates on the release and further details around the block and closure of the account. Ms C says she was given conflicting information about whether interest would apply to the funds, and the online service and phonenumber was unhelpful. Ms C raised a formal complaint about the handling of her account – in particular the closure of the account, delay in receiving funds and poor service she'd received.

Ulster Bank issued a final response letter on 5 February 2024. It explained the closure decision was made after careful consideration, and although it wasn't able to provide specific details, the closure was carried out in line with the account terms and conditions. It clarified that Ms C had been given incorrect information and that once an account is being closed its policy is to stop paying interest on the account. Further, it apologised for the long waits Ms C had experienced when using the online chat service and on the phone. It explained that it was unable to release the funds, but it would be in touch with Ms C with more details about this as soon as possible.

Unhappy with the response received, Ms C referred her complaint to this service. Whilst the complaint was awaiting a review the balance from the account was returned to Ms C on 9 April 2023. Ulster Bank paid interest on the funds, at the rate of 5.2% for the period 28 December 2023 to 29 February 2024.

The Investigator reviewed Ms C's complaint and upheld it in part. In summary, they found:

- Ulster Bank is entitled to block, review and in some instances close accounts in line with its legal and regulatory obligations. It doesn't have to give Ms C specific reasons for this.
- Although Ulster Bank is entitled to carry out this review, it took longer than needed to release the funds.
- Ulster Bank should pay interest at 5.2% on the funds for the period 1 March 2024 to 18 March 2024 and 2 April 2024 to 9 April 2024.
- Although Ms C says she missed out on investment opportunities, there isn't evidence to show that that Ms C would've been eligible for these given the checks needed, and

- Ulster Bank can't reasonably be held liable for these unknown losses.
- The service received from Ulster Bank and its online service was poor, but given the circumstances of Ms C's complaint, Ulster Bank don't need to take any further action.

Ms C disagreed with the recommendations. Ms C reiterated her concerns around the service received and the lack of clarity provided by Ulster Bank around the release of the funds held in her account.

As no agreement could be reached at Investigation stage the complaint was referred to an ombudsman for a final decision.

I issued my provisional decision on the complaint on 23 January 2025. Now both parties have responded, I will now issue my final decision.

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've included my provisional decision below.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I'm aware that I've only summarised Ms C's complaint points. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I can assure Ms C that I have carefully considered his detailed submissions.

KYC checks and account review

Ulster Bank has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other financial harm. It's common practice for banks and other financial service providers to restrict access to accounts to conduct a review - doing so helps prevent potential financial loss or other harm that could otherwise result. And that is what happened here.

Ms C opened the account in late December 2023. Although Ms C was able to open the account and deposit funds, Ulster Bank found it necessary to review and block the account based on the information it held and the account activity, even if this was limited. Ulster Bank is entitled and obliged to carry out such checks. This applies to both new and existing customers. The terms of Ms C's accounts also permit Ulster Bank to review an account and ask a customer for information if necessary.

Having considered the basis for Ulster Bank's review, I find the review was legitimate and carried out in line with its legal and regulatory obligations. Ulster Bank had no obligation to tell Ms C the basis of its concern or forewarn her of its intention. So, I can't say Ulster Bank has done anything wrong when it decided to review Ms C's account.

Account closure

Upon reviewing Ms C's accounts Ulster Bank issued her with a notice to close letter. This

explained the account would close with immediate effect and the funds would be released once the necessary checks were completed.

I know Ms C feels Ulster Bank has acted unfairly given the lack of information provided to her about the closure. Ultimately Ms C would like a detailed explanation as to why Ulster Bank took these actions. But Ulster Bank isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Ulster Bank has provided is information we consider should be kept confidential. Having carefully considered this information, I'm satisfied Ulster Bank acted appropriately and in keeping with its regulatory duties.

Ms C says Ulster Bank's decision to close her accounts caused her significant distress and inconvenience. I do appreciate this matter would've caused her some difficulty, and the lack of information would've been particularly frustrating. However, given the nature of the account review and closure I think Ulster Bank acted appropriately in the circumstances.

Delays and compensation

Ms C has provided detailed submissions about the delays she experienced in receiving the funds held within her savings account with Ulster and the poor customer service she received.

I appreciate the service Ms C received fell below reasonable standards. Ulster Bank has also acknowledged this issue in its final response letter. Ms C wants compensation for time taken to release of the funds to her. I recognise the overall time this situation took, and I accept that Ms C was without the funds paid in for a considerable amount of time.

Initially Ms C says she was told interest would apply to the funds within the savings account at a rate of 5.2% until she received them. However, Ulster Bank later explained Ms C had been told this in error and interest wouldn't apply as the account was being closed with immediate effect. As part of its review Ulster Bank confirmed it had applied interest to the funds for the period 28 December 2023 to 29 February 2024 and this has been paid directly to Ms C.

The Investigator recommended further interest be paid for the periods 1 March 2024 to 18 March 2024 and 2 April 2024 to 9 April 2024. As part of this service's review of Ms C's complaint further information has been gathered to ascertain the reasons for closure. Although Ulster Bank has released the funds to Ms C and paid some interest, this service must also be satisfied that compensation would be appropriate when considering all the available evidence. Based on the information I've seen I don't find awarding Ms C additional compensation by extending the period interest should be applied to the funds held would be fair or appropriate.

So, I'm not requiring Ulster Bank to compensate Ms C for any inconvenience that she may have experienced as a result of Ulster Bank carrying out its review, and the further dissatisfaction she experienced with the service she received.

Ms C has provided details around the loss of investment opportunity due to Ulster Bank's delays. I've considered the information presented, and I'm not persuaded this loss of opportunity is an issue Ulster Bank can reasonably be held responsible for. The details provided by Ms C don't outline specific investment details that were firmly in place for the funds after their release. Further, Ulster Bank's review of the account was necessary and

legitimate, and although the time taken to release funds was longer than anticipated, I'm not persuaded compensating Ms C for this would be appropriate.

I know this will not be the outcome Ms C was hoping for, but I am satisfied Ulster Bank acted reasonably in taking action to discharge its regulatory obligations. I know Ms C will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Ulster Bank to take any further action to compensate Ms C.

Responses to my provisional decision

Ulster Bank responded to my provisional decision and accepted the outcome reached.

Ms C responded and made the following submissions:

- The poor service provided by Ulster Bank hasn't been adequately addressed. The CORA chatbot experience provided unhelpful responses and Ms C was provided with repeated misinformation from Ulster Bank about the application of interest the funds held.
- Ulster Bank has refused to provide access to call logs and chats, limiting Ms C's ability to provide evidence to support her position.
- Other complaints have resulted in compensation for similar treatment, so Ms C's complaint warrants compensation.
- The delays Ms C experienced in receiving the funds was excessive and compensation is warranted for this.

I've carefully considered Ms C's additional comments, however my decision remains unchanged.

I understand Ms C received service which she says was unreasonable and fell below expected standards. I've looked carefully at the timeline of events and communication Ms C received. Although there are instances where matters could've been clarified, I don't consider compensation to be appropriate in the specific circumstances of Ms C's complaint.

Ms C has referred to other cases which have similar issues to hers, which have resulted in compensation. However, each case is assessed by this service on its individual merits. I must reiterate Ulster Bank has provided evidence to this service in confidence. My review of this evidence means I don't consider awarding further compensation – be this additional interest on the funds held, or compensation for the delays and poor service Ms C says she experience to Ms C to be fair or reasonable.

Ulster Bank had awarded Ms C interest on the funds it held at a rate of 5.2% for the period 28 December 2023 to 29 February 2024. I consider this to be adequate compensation for the delays and service issues Ms C says she experienced.

With regards to the information Ms C would like to access to support her complaint, she is able to request information Ulster Bank holds about her. However, Ulster Bank can also withhold information it deems commercially sensitive or is legally obliged to keep confidential. I can assure Ms C Ulster Bank has provided this service with all the relevant information it holds in relation to Ms C's complaint, and I've looked at it all before reaching my decision.

I know this will not be the outcome Ms C was hoping for and she will be disappointed with the decision I've reached. I understand I haven't been able to go into significant detail, given

information has been provided by Ulster Bank in confidence, but I hope my decision provides some clarity around why I won't be asking Ulster Bank to take any further action.

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 Ms C to accept or reject my decision before 27 February 2025.

Chandni Green
Ombudsman