

The complaint

A company which I'll call 'C' complains that National Westminster Bank Public Limited Company ('NatWest') treated him unfairly when it closed his business account after it fell into arrears on its Bounce Back Loan.

The complaint is brought on C's behalf by its director, Mr E.

What happened

Mr E told us:

- C took out a Bounce Back Loan (BBL) with NatWest in 2020.
- In January 2025, he noticed that C's business account had been closed. However, NatWest hadn't made him aware that it was closing the account.
- He complained to NatWest, but the bank said it had closed C's account due to arrears which had built up on the BBL, and it wouldn't be reopening the account.
- NatWest had behaved unfairly as the BBL wasn't linked to the business account, so C's account shouldn't have been closed due to the BBL arrears. He'd like NatWest to reopen C's business account.

NatWest told us:

- In May 2020, C had been granted a BBL, and the funds were drawn down the same month. Repayments to the BBL commenced in June 2021 until March 2024. It received the payment for April 2024 after it contacted Mr E, but has not received any payments since
- It sent C arrears notices in May and June 2024, and in July 2024 C's account was passed to its specialist team. Mr E spoke to the team in July 2024, and they told him that he could use the Pay As You Grow (PAYG) options under the terms of the BBL. Mr E said he would apply for this on the portal. Mr E didn't apply for any of the available options.
- It tried to discuss C's account with Mr E, but he didn't engage and therefore in October 2024 it issued a formal demand. In November 2024, C's current account was restricted.
- It had closed C's account correctly and no bank error had occurred so it wouldn't be reopening the account. It had also followed its standard process, so it didn't agree with Mr E's opinion that it had behaved in a racist and discriminatory way.

Our investigator didn't recommend the complaint be upheld. He thought that NatWest had acted fairly and in line with the account terms by blocking and closing C's account as a result

of the arrears on the BBL. He was satisfied that NatWest had notified C of the arrears and potential closure of its accounts if the arrears weren't cleared.

Mr E didn't agree and asked for an ombudsman to review C's complaint. He said that it was unfair that C's accounts had been closed without it being provided with the option for a repayment plan. He remained of the opinion the bank's decision had been racially motivated and requested that the bank reinstate C's account. He also said he hadn't received any correspondence from the bank saying C's account would be closed.

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'm sorry to disappoint Mr E but I've decided not to uphold it for broadly the same reasons as our investigator.

Mr E says NatWest has behaved unreasonably as it didn't give him the option to put a repayment plan in place for C's BBL. He also thought it was unfair for C's account to be closed as a result of the arrears on the BBL. But I don't agree. I've seen evidence that C's account was passed to NatWest's specialist team on 10 July 2024 as its BBL was in arrears, and this was followed by an email from the team on 13 July 2024 asking for Mr E to contact it. Mr E spoke then spoke to the bank on 19 July 2024, and he was provided with information on how to request a payment holiday in line with the terms of the BBL. Under the terms of the BBL, C could have applied for a repayment holiday or a loan extension to reduce its payments (amongst other options). However, I can't see that Mr E attempted to apply for any of the options available to C, so I can't fairly say NatWest didn't provide him with any options for C's BBL.

Furthermore, I've seen that Mr E told the bank in July 2024 that he was seeking support due to his financial situation, this was followed by a letter from NatWest of 30 July 2024. At this point, I can see that the bank said it would provide C with a grace period of thirty days for Mr E to provide information about this whereby no interest and fees would be added to C's account. So, I think NatWest behaved reasonably here.

However, I haven't seen any evidence this information was provided by Mr E. NatWest has shown evidence that it emailed Mr E on 30 August 2024, followed by letters on 1 September and 19 September 2024. It also tried to call Mr E in September and October 2024, and a final text message and letter were sent on 11 October 2024. I can see that the September and October letters sent to Mr E said, "*If you don't contact us [...] we may stop you from using your account(s)*". When no response was received from Mr E, NatWest then issued a formal demand on 30 October 2024. As no response was received to the formal demand, all C's accounts were passed to NatWest's recoveries department. After this, when no further response was received from Mr E, C's account was closed. The terms and conditions of C's BBL and bank account allow NatWest to take this action, so I don't think the bank has behaved unreasonably here.

I recognise that Mr E said he didn't get any letters from NatWest, however I can see that these were sent to the address the bank holds on file for Mr E. And the email contact was to the email address provided to the bank by Mr E. So, I'm satisfied NatWest did try to make Mr E aware that if he didn't contact the bank that it could close C's accounts. I can't fairly hold NatWest responsible if the contact wasn't received by Mr E on the details he'd provided.

Mr E also told us he feels NatWest has discriminated against him and closed C's account due to his race. I recognise Mr E feels this way but having looked at all the evidence I

haven't seen anything that suggests this, and I'm not persuaded NatWest has acted unfairly or unreasonably here. I hope that it helps Mr E to know that someone impartial and independent has looked into his concerns.

I'm sorry to disappoint Mr E as I know he feels strongly about C's complaint, but I don't think NatWest has done anything wrong. I acknowledge that this has been a difficult time for Mr E and that he's been caused inconvenience from C's account being closed. However, if he is in financial difficulty and unable to make the required repayments on C's BBL. I would encourage him to contact NatWest to discuss an affordable repayment arrangement as the lender should treat C fairly.

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 C to accept or reject my decision before 7 January 2026.

Jenny Lomax
Ombudsman