

The complaint

A limited company I'll refer to as S complains National Westminster Bank PLC closed their accounts and have left them unable to repay their lending. They'd like to be able to make cash payments towards the loan.

What happened

S held accounts with NatWest, including a current account and a bounce-back loan (BBL).

But in September 2024 NatWest blocked the current account for a week. After this they wrote to S to say they would be closing the current account in January 2025. The letter said S would have to make a separate arrangement to repay their BBL. S arranged a new account with a different provider, but this account does not allow cash deposits. S also tried to repay their BBL but found they couldn't deposit cash for repayment. They complained to NatWest, saying they were stuck unable to repay the BBL.

NatWest responded to say they had provided the required notice in line with their policy. They also said they wouldn't accept cash deposits directly into loan accounts, but they would accept electronic transfers. Disappointed by this S referred their complaint to our service. They argued they should be able to make cash deposits into the BBL account. They also said they had had difficulty updating their security details with NatWest. One of our investigators looked into what happened, but he wasn't persuaded NatWest had done anything wrong and didn't ask them to do anything further.

S disagreed, saying they had been discriminated against by not being allowed to deposit cash. But this didn't change the investigator's mind. As such the complaint has now been passed to me 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.

Like all financial businesses in the UK have a broad commercial discretion on who they provide accounts to, and on what terms. Generally, they're free to pick who they have as their customers, just as S are. It would be rare for our service to say they should have continued to service an account after they've made the decision to close it, unless there is very good reason to do so.

In this case, I can see NatWest provided over 90 days' notice of the account closure – which is in line with the account terms, and the wider regulations on payment accounts. There's no specific obligation on NatWest to explain to S why they've decided to close an account, and they've declined to provide a detailed explanation. I'm satisfied this decision to close was reasonable, and I'm not persuaded there's a reasonable need for NatWest to give further information about this decision to S. I can see S were able to arrange a business account with another account provider – and the statements show the funds being transferred out before the account closed.

The BBL has remained open, although S hasn't been allowed to make cash deposits to it. The closure notice sent in September 2024 says S will have to make alternative arrangements for repayment of the loan. The terms of the BBL say potentially they could allow S to have an account solely for repayment of the loan, but NatWest have decided not to provide one. Again, this would be down to their commercial discretion, so I don't think this is unreasonable.

The closure notice doesn't say NatWest wouldn't accept cash deposits for the BBL, and neither do the terms. But the terms do say: "*the Customer must complaint with the Bank's requirement in respect of payments under this agreement. These requirements may include maintaining payment instructions acceptable to the Bank*". At the point S' account closed, I accept its likely S weren't aware cash deposits would be accepted. But I see NatWest clarified this shortly after. And ultimately, I'm satisfied there's no obligation to accept cash deposits towards the loan if they've decided not to. This isn't required under the terms of the BBL, and I'm not persuaded this is significantly different from wider industry practice.

I also note S' current account with NatWest doesn't appear to have been funded by regular cash deposits while it was open. And the amount transferred out before closure exceeded the value of the outstanding BBL. I'm satisfied NatWest have offered reasonable alternatives to repay the BLL in allowing transfers in from other accounts. S' new account provider doesn't accept cash deposits – which I accept will make it more difficult to make payments towards the BBL. But this isn't something NatWest has control over.

I appreciate S has had difficulty discussing the BBL with NatWest, as they say the security information is outdated. But having reviewed the communication between the parties, I'm not persuaded the service provided by NatWest has bene unreasonable. And in any event, I'm satisfied NatWest have provided the correct information on how to repay the BBL. So, I don't see that they need to do anything further here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 5 February 2026.

Thom Bennett
Ombudsman