

The complaint

Mr M complains that Bank of London and The Middle East plc (“Nomo”) restricted and then closed his accounts without notice and without telling him why.

What happened

In March 2025 Nomo contacted Mr M to ask him about some payments which he had received. He explained that they were payments from three different airlines and from a travel insurance company. The payments from the airlines were compensation for damaged luggage, lost luggage, and for a cancelled flight. The payment from the insurance company was in respect of a motorcycle accident which Mr M had suffered while on holiday. Mr M provided the bank with copy emails which appeared to support his explanations.

On 25 March 2025 Nomo told Mr M that it was reviewing his accounts. In the meantime, they would be restricted.

Nomo completed its review on 8 April 2025. On the same day, it wrote to Mr M to tell him what it was doing and to obtain his instructions on where to send the closing balances. Mr M replied the same day, and funds were returned to him.

Mr M complained about Nomo’s actions and that it had not kept him updated. Nomo said it had acted fairly and did not uphold Mr M’s complaint, so he referred it to this service.

One of our investigators considered what had happened and issued an initial assessment. She agreed with Nomo that it had acted fairly and so did not recommend that Mr M’s complaint be upheld. Mr M did not accept her assessment and asked that an ombudsman review the case.

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.

When it provided this service with its documents, Nomo asked that some of the evidence and arguments which it submitted be kept confidential and not be disclosed to Mr M. This service can accept evidence in confidence where it considers it appropriate to do so (DISP3.5.9(2)R). Having considered carefully the nature of the evidence in this case, I am satisfied that it is appropriate to accept some of it in confidence.

Banks have to comply with legal and regulatory requirements to ensure that they have a degree of knowledge about their customers and the use of their accounts. That may mean asking customers about account use, or individual transactions, or both. And on occasions it may be appropriate to restrict or block accounts while enquiries are made and a review carried out. In my view it was appropriate to do that here.

The review took from 25 March to 8 April 2025 – that is, two weeks. I don't believe that was excessive or that there were any unnecessary delays. Nor were there any delays in paying the account balances to Mr M's nominated account.

I turn then to the bank's decision to close Mr M's accounts. It is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that Nomo's decision to block and then to close Mr M's accounts was a legitimate one. Mono did not have to tell Mr M exactly why it had decided to close his accounts.

Banks should however give reasonable notice before closing an account. What is reasonable depends on the circumstances, but we generally take the view that two months' notice is reasonable for a personal account. There may however be circumstances where a different notice period is reasonable. That period may be less or more than two months, and in some cases immediate closure may be appropriate. In this case, I agree with the investigator that it was reasonable of the bank to close Mr M's accounts with immediate effect. The account terms provided for that.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 December 2025.

Mike Ingram
Ombudsman