

The complaint

Mr M complains that National Westminster Bank Public Limited Company (NatWest) didn't return his funds after it closed his account.

What happened

Mr M had an account with NatWest. In 2023, NatWest decided to close the account. Mr M says he contacted NatWest a number of times asking it to return the funds. But he only received the funds in February 2025.

I've contacted NatWest and Mr M. Based on what I'd seen, I thought Mr M had experienced difficulties getting his funds back – and that NatWest had missed opportunities to sort things out. I thought that if things had happened as they should have, Mr M most likely would have got his funds back in July 2024. I recommended NatWest pay Mr M £300 to reflect the impact of this, plus simple interest to compensate him for the time he was out of pocket.

NatWest say they were unaware of any vulnerabilities or that he was having difficulties completing the form. They point out that in July 2024, Mr M had referred to having help from solicitors to complete the form.

Mr M thinks he should get more. He thinks that in view of what happened, he should get £1,000.

As I've not been able to resolve matters informally, I've reviewed matters afresh.

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 uphold the complaint. I'll explain why.

As I see it, the main question for me to decide is whether NatWest returned Mr M's funds in a timely manner after it closed Mr M's account.

NatWest has explained that before it could return the funds, Mr M needed to complete a funds release form. It says Mr M didn't complete and return the form until the beginning of February 2025, and that meant they couldn't release the funds until then.

Mr M, however, says he contacted NatWest repeatedly throughout this period. He's sent us copies of emails to the funds release team. I see some of these say Mr M is in financial difficulties, that he's ill and bed bound. These also suggest that Mr M was chasing them for a response. Mr M says he submitted the funds release form more than once – in July 2024 he told NatWest that he'd submitted a form with the help of solicitors. NatWest says it sent Mr M a link to the funds release form on at least 7 occasions, twice in July 2024, twice in August 2024, once in September 2024, and again in October and December 2024. Mr M says he ultimately was able to submit a new form with the assistance of a firm of accountants – in February 2025. It was only then that NatWest was able to pay out the funds.

Looking at everything, I think NatWest could have done more here. In particular, Mr M first raised a complaint about this matter in July 2024, and if things had happened as they should have, I think NatWest would have identified at that point that Mr M had characteristics of vulnerability and might have needed additional support completing the form. Had they done so, I think it's likely Mr M would have received his funds sooner. I further find that Mr M experienced distress and inconvenience because of what happened.

I've thought about what NatWest needs to do to put things right. I've previously suggested NatWest pay Mr M £300 to reflect the distress and inconvenience this all caused, plus simple interest (the rate is 8% a year) to compensate Mr M for the time he was deprived of the funds.

I've carefully considered NatWest and Mr M's response. NatWest says it was unaware of Mr M's illness. For the reasons I've explained above, however, I'm satisfied Mr M told NatWest about his illness. And I think it was apparent from his original complaint that there'd been issues returning the form. I remain of the view that if things happened as they should, NatWest could have sorted things out when it initially addressed Mr M's concerns in July 2024.

I've thought about what Mr M has said. He thinks he should get £1,000. Where I make an award for distress and inconvenience this isn't to punish the business but to reflect the impact of NatWest's actions. I accept that Mr M was deprived of his funds – which is what the 8% simple interest is intended to compensate him for. I also accept that Mr M found what happened stressful. But based on what he's told us, I'm not persuaded to increase the compensation I'm awarding.

Putting things right

National Westminster Bank Public Limited Company should:

- Pay simple interest (the rate is 8% a year) on the balance on his account from 24 July 2024 until the funds were returned on 25 February 2025

If NatWest is required to deduct tax from that interest it should provide Mr M with a tax deduction certificate so Mr M can reclaim the tax from HM Revenue & Customs, if appropriate.

- Pay Mr M £300 to reflect the distress and inconvenience this all caused.

My final decision

I uphold the complaint. National Westminster Bank Public Limited Company should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 January 2026.

Rebecca Hardman
Ombudsman