

The complaint

Mr A complains that National Westminster Bank Plc blocked and then closed his account, without notice and without telling him the reason. He says too that the bank delayed returning funds to him.

What happened

In March 2025 Mr A made a payment of £800 to his solicitors. When he tried to make a second, larger, payment, he was unable to do so. NatWest then gave Mr A notice that it was closing his account and that it would be blocked while the closure was processed.

Mr A complained about the bank's actions and that he had not received the funds held in the account. They were paid to him on 28 April 2025.

Mr A referred the matter to this service, where one of our investigators considered what had happened. She did not recommend that the complaint be upheld. She concluded that the bank had acted in line with its legal and regulatory duties and had not treated Mr A unfairly. Mr A did not accept the investigator's 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.

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 keep some of it confidential from Mr A. I realise he may find that frustrating.

Banks have various legal and regulatory obligations, some of which are to ensure that the information they hold about their customers is accurate and that they understand what accounts are being used for. In order to meet those obligations, banks may sometimes need to review individual transactions or the wider use of accounts. And in some cases it may be appropriate to restrict or block accounts while a review is carried out.

I am satisfied that NatWest acted appropriately in this case, both in deciding to review Mr A's account and in restricting its use while it did so.

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 NatWest's decision to block and then to close Mr A's account was a legitimate one. The bank did not have to tell Mr A exactly why it had decided to close his account.

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 A's account with immediate effect, in line with the account terms.

Mr A has described the impact the bank's actions have had on him and his business. I have no reason to doubt what he has said about that. However, I can only make an award in his favour if I think the bank has acted unfairly. I don't believe it has.

Finally, Mr A complained about the length of time it took to release his funds. They were paid on or about 28 April 2025, around six weeks after the account was initially blocked. NatWest said it could take up to 60 working days, so this was well within the timeframe indicated. And part of the delay might be attributable to the fact that the destination account which Mr A initially said should be used was closed in the meantime.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 December 2025.

Mike Ingram

Ombudsman