DRN-5724231

The complaint

The estate of Mr H complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY closed an account without consent.

Mr H1 is the representative of the estate.

What happened

Mr H passed away in 2012. In April 2015 NatWest contacted Mr H1 regarding closure of the account. He subsequently told NatWest that he wouldn't be completing the forms and would be applying for probate. In February 2017 NatWest sent a reminder to Mr H1 and subsequently spoke to him over the telephone. It put a hold on the matter for six months, then sent a chaser letter to Mr H1. It sent two further chaser letters to Mr H1. It didn't receive a response so in February 2019, it closed the account and transferred the balance to an internal account.

Mr H1 didn't obtain probate (letters of administration - LOA) until February 2025. At that stage he got in touch with NatWest. He was initially told that the account had been closed and the funds paid out, but subsequently NatWest advised him that the monies were still available and it sent to Mr H1 a closure form to reclaim these. He complained to NatWest about the closure of the account and the misinformation given.

In respect of Mr H1's complaint NatWest said that it had followed its procedure in closing the account. It accepted that Mr H1 had been given wrong information and that he hadn't received a return call from its customer services. It paid Mr H1 a total of £400 compensation.

On referral to the Financial Ombudsman Service, our Investigator said that NatWest had acted reasonably and paid reasonable compensation for any poor service issues.

Mr H1 didn't agree, and the matter has been passed to me for an Ombudsman's consideration.

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.

First of all, I have noted that there was no dealing on this account from February 2019 when it was closed until January 2025 when Mr H provided the LOA to NatWest. NatWest has case notes and closure records, Although, save for one letter, I haven't seen copies of any correspondence in 2017-18. In so far as Mr H1 has asked us to obtain phone call recordings from 2017, these no longer exist. And banks are generally not required to keep records going back more than six years, so I can't make a finding against NatWest if a particular document does not exist any longer. I understand Mr H1 has raised data protection issues about this but as they haven't been put to NatWest he would need to make a separate complaint about that.

closure of the bank account

I understand Mr H1's complaint is that he believed that the account had been frozen from when he contacted NatWest in 2015. He doesn't believe therefore that NatWest should have been allowed to close the account.

From the case notes it appears that NatWest kept this account under review, and following its contact with Mr H1 in 2015 it kept the account open as he was applying for probate. But it is not required to keep an account open indefinitely if no activity has taken place. Following its contact with Mr H1 in March 2017, it reviewed the account every six months. It sent letters to Mr H1 in September 2017, March 2018 and September 2018, which it didn't receive any response to. Following this, after 30 days NatWest started the process of closing the account and it closed in February 2019.

A bank can close an account at any time providing it gives adequate notices. It doesn't have to give the reason for the closure, although in this case NatWest has done. So, as it didn't receive any response to its chaser letters from Mr H1, asking for the account to remain open, I think that NatWest acted reasonably.

I have considered whether there was any prejudice to the estate in the account being closed. This was a current account and if it had remained frozen no interest could have been added to it while awaiting probate. NatWest, as it is required to, kept a record of the balance on the closed account. And it has been prepared to pay this over to Mr H1 since February 2025. So, I don't think it made any difference in closing rather than freezing, the account.

As regards the closure form Mr H1 has been asked to sign, I understand his concern. As technically the account is already closed. However, this is an unusual situation and NatWest has confirmed that on receipt of the closure form, and any necessary documents, it will release the monies to Mr H1 as the administrator of the estate. If Mr H1 still has concerns about whether he should sign the form, I can only suggest that he takes legal advice on the matter.

As regards interest, I will not make an award. This is because I've found NatWest made no error here and the account funds are in the same position as they would have been if the account had been frozen.

wrong advice/ customer service

I understand that when Mr H1 contacted NatWest he was initially told that the account had been closed and the monies sent out. I can understand that this caused some anxiety. He also was promised a call back the next day which didn't happen.

I understand that Mr H1 was also told in a call that NatWest would refer the matter to the Financial Ombudsman for him. This is not the case and NatWest later set out in a letter what the correct process was.

As I've said, there are no call recordings from 2017. I would have thought that if Mr H1 had serious issues about the way he was spoken to in 2017 he would have raised those at the time. Raising concerns eight years later might well be considered out of time. I have considered the complaint call of 14 February 2025, but I don't think there are any issues with that.

compensation

NatWest has paid £400 compensation. As our Investigator has told Mr H1, in his position as a representative of the estate we can't award compensation for any distress or inconvenience. If Mr H1 is also a beneficiary of the estate and we could award such compensation to him. However, from my review of the case I think NatWest has paid fair and reasonable compensation. In light of that, I won’t be making any further award.

My final decision

I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask the estate of Mr H to accept or reject my decision before 28 August 2025.

Ray Lawley
Ombudsman