

The complaint

Mr L complains National Westminster Bank Public Limited Company (“NatWest”) have told him he holds a personal current account rather than a business bank account. This led to issues for Mr L with the Department for Work and Pensions (DWP.)

What happened

In November 2024, Mr L was in discussions with DWP around his benefits and was asked to provide proof of his business bank account. As a sole trader, Mr L had held an account with NatWest since 2014 and contacted NatWest for confirmation. However, Mr L was told the account held was a personal current account not a business bank account. Mr L disputed this and said he received a benefit from NatWest that was only available to their business banking customers. Unhappy, Mr L raised a complaint. He explained he’d been caused significant trouble and upset including worrying that his benefits would be impacted, needing to set up a new business account and informing his clients of his new banking details.

NatWest didn’t agree an error had been made. They explained Mr L had taken the account out online over 10 years ago. NatWest said Mr L should have realised his account was a personal account as he had been sent statements and used online banking within that time – confirming the type of account he held. NatWest also explained Mr L should have realised as he hadn’t been charged any business account fees. NatWest spoke to the benefit service provider who advised that as Mr L had been a customer of theirs previously and then had provided details of a NatWest sort code, this could explain why it went unnoticed and why he’d received the benefit intended for NatWest business banking customers.

Unhappy with their response and that NatWest hadn’t realised or seemingly monitored his account, Mr L brought his complaint to our service.

Whilst our investigator sympathised with Mr L’s situation, ultimately, they considered that NatWest hadn’t made an error and didn’t uphold the complaint.

As Mr L has disagreed – the complaint has 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.

I’d like to assure both parties that I’ve carefully considered all the information and evidence available to reach my decision. If I don’t comment on a particular point, or in as much detail, it doesn’t mean I haven’t considered it. Instead, my decision focuses on what I consider to be the key points of the complaint and reflects the informal nature of our service.

Due to the passage of time there is limited information around the account opening. Mr L has also explained he has a cognitive condition and doesn’t remember events from that time or holds any records himself. However, NatWest have shown Mr L applied for the account online, in August 2014. And as the account was taken out online, with seemingly no

interaction from NatWest directly, I must reasonably conclude that Mr L selected a current account rather than a business account, even if his intentions were otherwise.

I'm conscious Mr L believed he opened a business account, and it appears he's operated the account as such. I can also appreciate why Mr L may have thought that he held a business account when he received the free service benefit only available to business banking customers, when he applied for it in 2021. However, I'm satisfied that NatWest have reasonably explained this was an error or oversight on the part of the service provider – and not something NatWest would necessarily have control over or reasonably be expected to monitor – considering the number of business banking customers NatWest holds.

I note Mr L is unhappy NatWest didn't realise he was operating his account for business purposes sooner. Mr L has cited various laws and regulations that he considers NatWest have not followed.

Mr L has argued that NatWest should have monitored his account, for instance for money laundering, criminal activity or fraud purposes. However, there's nothing to suggest NatWest weren't doing this and I'm satisfied Mr L wasn't utilising his account in this way so I wouldn't expect NatWest to have looked into his account any further. Banks generally won't review or monitor accounts, unless they have reason to do so. When NatWest were aware how the account was being used – they correctly informed Mr L that he could not use a personal account for business purposes and advised that a new business account would need to be opened.

I don't doubt that Mr L experienced distress and inconvenience when trying to resolve matters with DWP and subsequently when he had to notify his clients of a change to his account details. But I can't fairly conclude that this is due to an error by NatWest. I'm glad to hear things were resolved with DWP, and no further action was taken.

I appreciate this wasn't the outcome Mr L was hoping for, but for the reasons I've explained above, I won't be instructing NatWest to do anything further.

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 Mr L to accept or reject my decision before 29 August 2025.

Laura Davies
Ombudsman