

The complaint

Ms S complains about the poor service she received from National Westminster Bank PLC trading as Ulster Bank (UB) when trying to close a savings account she held with it.

What happened

I sent the parties a provisional decision in January 2026, in which I set out the following background information to the complaint and my provisional findings, as follows:

Ms S explained she wanted to close her savings account with UB and use the funds to overpay on her mortgage.

During September 2024, Ms S raised several issues with UB through its online chat function about the service she had received when trying to access her funds and close her account. I have read through the chat history, which both parties have access to, so I won't repeat it in detail. In summary, Ms S complained about the service she had received when asking for details about her account, getting access to her funds and closing her account.

UB first responded in writing to Ms S in late September 2024 following her complaint through the chat function. This letter explained how UB calculated interest on the account, which the chat had not been able to explain.

UB explained why Ms S was experiencing difficulties closing her account and withdrawing funds. UB said Ms S would need to either visit a branch or transfer funds to a UB current account to transfer the funds out of her savings account. However, UB recognised Ms S didn't have a current account, so said she would need to visit a branch. No other option was provided in this letter for the transfer. UB also said it would only close Ms S's savings account if she visited a branch or wrote a 'handwritten' letter.

UB did admit it should have 'handled things better' in reference to the chat and issued a cheque by post of £100 for the distress and inconvenience caused.

UB wrote a further response to Ms S dated October 2024 reiterating Ms S could not transfer funds directly from her savings account and she needed to move the funds to a current account before moving the funds. Again, UB said Ms S would need to either visit a branch or send in a handwritten request via post to close this account as it was the final savings account she held with it.

UB wrote again to Ms S in January 2025 in response to an email Ms S sent it on 4 January 2025. Ms S still hadn't been able to close her account and hadn't got access to her savings at this time.

UB again confirmed it could only close Ms S's savings account if she wrote to it or visited a branch. However, UB did explain in this letter Ms S could make transfers from her account using a card reader, which it said it had sent to her in August 2024.

UB said it hadn't received any record of a written request to close her account, which Ms S

has said she had sent. UB upheld this part of her complaint. It also accepted it hadn't sent Ms S the chat transcripts she had requested and also upheld this part of her complaint. UB said it would credit a further £200 to her savings account as compensation for these issues.

As Ms S had explained she had suffered a financial loss because she had not been able to overpay on her mortgage, UB 'encouraged' Ms S to provide documentary evidence of the financial implications the delays had caused her.

UB also said it could send Ms S a cheque for the balance on the account if she agreed to it, but she would need to write in to agree to this. UB said it had also arranged for statements to be sent out regarding the account as Ms S had requested.

UB wrote a further response letter to Ms S in March 2025 expressing regret. UB confirmed it had now paid Ms S a total of £500 compensation for the issues. UB reiterated it hadn't been able to locate the letter Ms S sent to close her account, despite thoroughly investigating. UB also acknowledged Ms S would send it information regarding the mortgage overpayment she had been trying to arrange.

UB issued a further cheque for the full funds in Ms S's account on 25 March. This cheque included a further £200 compensation.

Initially, Ms S explained she hadn't received a satisfactory response to the issues she had raised with UB. The outstanding matters were:

- 1. UB didn't provide a response in the time frame she set it in a letter she wrote to it in January 2024,*
- 2. UB hasn't paid all compensation it had agreed to,*
- 3. UB hasn't provided a statement to Ms S showing interest earned between January 2025 and 24 March 2025,*
- 4. UB didn't close her account and transfer funds as she had instructed, until our service intervened,*
- 5. She lost out financially as she intended to overpay on her mortgage and has therefore incurred losses because of the extra interest she has paid.*

Ms S explained the 'failings' by UB had sadly had a significant emotional impact on her. Ms S explained she wanted an apology from a director.

Ms S confirmed in April 2025 she had now received the funds in March 2025, after our service's involvement. Ms S explained she had only received two cheques for compensation totalling £300 so didn't think UB had paid the full £500 compensation it had claimed.

Ms S said UB had failed to provide a statement showing the interest she had earned between 2 January and 24 March 2025.

UB provided a copy of Ms S's statement for the account in question. It showed £7,000 was paid into the account on 6 November 2023, shortly after the account was opened. Interest was paid annually on 2 January 2024 (£56.84) and 2 January 2025 (£361), with a further addition of £200 'compensation' and interest of £76.54 for the period between 2 January and 24 March 2025, when the account was closed and full funds, now £7,694.38 were withdrawn.

As I requested, Ms S provided information from her mortgage provider. This shows Ms S had a fixed rate mortgage at 2.89% at the time until 2027. It showed she made a £3,000 overpayment for the period 30 September 2023 to 30 September 2024, of an allowance of £9,494.53. Between 30 September 2024 to 30 September 2025, she paid the 'full allowance'

for this period.

Our investigator thought UB had already done enough to resolve the complaint. They thought the compensation offered, and UB's agreement to consider further financial loss was a fair and reasonable outcome.

Ms S rejected our investigator's recommendation. She explained UB should have realised she couldn't visit a branch as she lives in England. She refuted the suggestion she had received a card reader as UB had said. She explained she wanted to know what UB had done to locate the letter she had written and Ms S said she had no confidence UB would pay the interest she had lost. She reiterated she wanted an apology from a director.

Ms S said she didn't feel the £500 compensation paid reflected the severity of the distress and inconvenience she had suffered. Ms S said she had to make alternative arrangements to organise the overpayment as she had planned with these savings.

As Ms S rejected our investigator's recommendation, her complaint has been passed to me to make a final decision.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate how strongly Ms S feels about her complaint, and I was sorry to read about her recent health issues. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Firstly, I have carefully considered the points Ms S has helpfully raised in her correspondence rejecting our investigator's recommendation. One of the themes of this response was our service hadn't held UB 'to account', and that Ms S wanted changes made to UB and individuals also held to account and a personal apology from a director.

Our service is not a regulator. We can't direct businesses to make changes to their processes or products, only decide whether we think they have acted fairly and reasonable considering the wider circumstances. I can see UB has apologised for the issues in writing, and in the circumstances, this is what our service would expect. We also wouldn't direct an individual to apologise.

We look to establish whether the business has made an error, and if so, put the customer back in the position they would have been in had the error not occurred. We award compensation for the impact mistakes have had on consumers, but this has to be in line with the compensation guidelines set, which are available on our website.

Dealing now with the issues at hand, firstly it appears UB has written several letters to Ms S regarding the ongoing issues, and I can see how disappointing and frustrating it would have been for Ms S. I am satisfied the evidence she had provided shows she was trying to close her account and use her savings to make an overpayment on her mortgage. Yet the evidence highlighted above show it took from at least September 2024 until late March 2025 for Ms S to gain access to her savings with UB.

I appreciate Ms S remains dissatisfied with the responses UB has provided regarding the letter she wrote to it, and UB stating it hadn't received it. Ms S has said she hasn't had an explanation as to what UB did to locate the letter. In these circumstances, I would expect UB to take some reasonable efforts to check its systems to see whether there was any evidence it had received a letter and try to locate it. From the response offered, I am satisfied UB has done this, and therefore don't think it would be proportionate or reasonable to require UB to do any more in the circumstances. In any case, I am also pleased to see UB upheld this part of Ms S's complaint.

I agree it was a mistake for UB not to recognise Ms S didn't live close to a branch, and agree it shouldn't have directed her to visit a branch as the only option. However, I can see it gave the option to write in to close account, and belated explained it could issue a cheque, albeit this was several months after Ms S had first sought the release of her funds. I can understand why Ms S was unhappy with the response she got explaining she would need to go into a branch. This clearly wasn't feasible for Ms S who lives in the south of England, and should have been considered when writing to her.

Dealing now with the initial poor service, I have examined the chat history Ms S had with UB between 25 August and 15 September. This is a matter of record, known by both parties so I do not propose to go into detail here, but I am satisfied Ms S didn't receive reasonable customer service during the various chats during this period. UB has accepted this.

In summary, I can see she wasn't able to get the information she wanted via this chat function. I can see Ms S said she followed instructions which didn't work and got error messages on the app. Ms S also explained she had raised her daily limit for transfers to £8,000 on 15 September but this had not been actioned.

I have carefully considered the compensation paid by UB. Firstly, I am satisfied UB has paid Ms S the full £500. I can see it issued two cheques to her, one for £100 and another for £200. It then included a further £200 in the sum paid to her for the balance of her account in March 2025.

I have no doubt the issues highlighted above caused Ms S considerable distress and inconvenience and needed a lot of effort to sort out. I'm also aware the impact lasted over many months. Having taken this all into account, and carefully thought about the impact Ms S has described, I am satisfied the compensation already paid is in line with what our service would expect in the circumstances. As explained, our service decides compensation on the guidelines, which is available on our website.

I now move on to discuss whether I consider UB should make an award for financial loss. I am satisfied there were avoidable delays caused by UB in Ms S receiving her funds. I am also satisfied, had the funds been available, Ms S may have been able to pay off more of her mortgage.

Ms S has recently told our service she made alternative arrangement to make the overpayment. The evidence she has provided, cited above, shows she maximised her payment for the mortgage year ending 30 September 2025.

However, I'm mindful that Ms S was seeking to make an overpayment in the previous year (Sept 23 to Sept 24 as this is when she began to enquire about a withdrawal) where she only paid £3,000 in over payments, with a potential for approximately £6,400 of further overpayment.

When considering the overpayment schedule and the compounding element of Ms S's mortgage, even at this lower mortgage rate of 2.89%, I am satisfied it is likely there has been

some longer-term financial loss caused by the delay in providing Ms S with the funds in September 2024 as she requested.

Furthermore, Ms S was deprived of her savings for an extended period. Whilst I accept they continued to accrue interest in her savings account, I am satisfied there is enough evidence for me to find, on balance, Ms S likely suffered a compound loss because of the delay in providing these funds.

I therefore provisionally propose UB pay a total 8% simple interest (taking into account, and deducting, the interest already paid on the funds when in the savings account) for the period of time Ms S wasn't able to access her funds. This is in line with what our service expects in such circumstances.

I provisionally think this further interest should be paid between 17 September 2024, when it was clear from the chat Ms S had already tried to close her account, taken the action UB had stated she needed to and still wasn't able to make the transfer, until 25 March 2025, when the cheque was issued.

To be clear, in making this provisional determination I am considering Ms S paid the full overpayment for 2024/25 and the length of time left on her mortgage. I have also taken into consideration her comments about making alternative arrangements.

I do accept UB has previously asked for information before and has helpfully demonstrated it would be willing to consider reimbursing Ms S for any financial loss. As this is a provisional decision, I would be willing to consider further information or representations by either party on this matter.

I asked Ms S to provide further information regarding the financial loss she said she had suffered. UB has said it is willing to consider refunding such losses should Ms S provide evidence to it.

I appreciate Ms S considers the compensation offered for the distress and inconvenience to be insufficient, but I trust I have explained my reasoning for not increasing this.

For the reasons I have given I am currently minded to uphold this complaint. I am likely to require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY trading as Ulster Bank to pay a total of 8% simple interest, minus interest already paid, on the balance in Ms S's loyalty saver account between 17 September 2024 and 25 March 2025.

My provisional decision and the parties' responses

UB replied stating it agreed with my provisional decision.

Ms S didn't respond to my provisional decision, despite our investigator chasing and extending the deadline for a response.

Having carefully reconsidered my provisional decision, I have decided the above is a fair and reasonable resolution to the issues, and therefore do not propose any changes before issuing my final decision.

My final decision

For the reasons I have given I uphold this complaint.

I require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY trading as Ulster

Bank to pay a total of 8% simple interest, minus interest already paid, on the balance in Ms S's loyalty saver account between 17 September 2024 and 25 March 2025.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 25 February 2026.

Gareth Jones
Ombudsman