

## **complaint**

Mr M complains that Ulster Bank Limited has acted unreasonably in refusing to continue a personal banking relationship with him. He wants it to reverse that decision.

Mr M is represented in his complaint by Mr C.

## **background**

Mr M was a director and guarantor of a company that banked with Ulster Bank. The bank offered revised facilities to the company which the directors felt unable to accept, and the bank subsequently defaulted the company's debt. It also decided that it no longer wanted to provide personal banking facilities to Mr M and gave him 60 days' notice of that.

Mr M's representative has raised a number of issues about the bank's actions, including that the bank acted wrongly in defaulting the company debt and that it has been inconsistent in how it has treated different guarantors of the company's debt. He believes his client has been treated unfairly by Ulster Bank.

Our adjudicator did not recommend that the complaint should be upheld. He concluded, in summary, that the bank had exercised its legitimate commercial judgement in deciding not to continue to provide personal banking facilities to Mr M, and that it had given appropriate notice of this decision.

On behalf of Mr M, Mr C has not accepted the adjudicator's conclusions. He has again raised a number of points relating to how the bank managed the company's debt. In particular he says that the bank unreasonably created the situation which then enabled it to terminate Mr M's personal banking facilities.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr M's complaint is that Ulster Bank has terminated his personal banking arrangements. The reason it has given for doing so relates to a company debt which Mr M guaranteed, and which has gone into default. As the adjudicator has already explained, I cannot consider here whether the bank acted correctly in how it managed the company's borrowing. That is a separate issue, about which the company has not complained to this service. All I can consider here is whether the bank acted fairly and reasonably in ending its personal banking relationship with Mr M.

I am satisfied that Ulster Bank did act fairly and reasonably. A banking relationship is a commercial one. A customer is not obliged to use a particular bank, and a bank is not required to provide banking facilities to a specific customer if it does not want to do so. Whether there was an issue with the underlying guaranteed debt or not, Ulster Bank could at any point have decided not to continue to provide personal banking facilities to Mr M. Having made such a decision, there is a requirement that it give two months' notice of closure, which is what it did.

I also note that the bank's documentation explained that in the event of a default on the company debt it could decide to end any related personal banking relationship.

Ulster Bank's decision to close Mr M's personal banking facilities was a legitimate exercise of its commercial judgement, and this service does not generally have the power to comment on the exercise of such judgement. If it treated Mr M differently than the other guarantors that is also a matter of its commercial judgement.

Therefore I do not find that Ulster Bank treated Mr M unfairly, and I cannot reasonably require it to reinstate Mr M's personal banking facilities.

**my final decision**

My final decision is that I do not uphold this complaint against Ulster Bank Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M, or his representative, to accept or reject my decision before 29 December 2015.

Malcolm Rogers  
**ombudsman**