

## Complaint

Mr W complains National Westminster Bank Plc closed three accounts he held with them without providing their reasons as to why. He says he's been unable to open an account with another bank since this time and thinks NatWest are responsible for this. As a result, he wants them to pay him compensation.

## Background

Mr W had several accounts with NatWest, comprising a current account and two savings accounts opened in 2008, 2012, and 2018 respectively. He applied for a credit card in June 2018, which while approved at first was then rescinded. They then sent him a letter giving him 14 days' notice that they would close his accounts.

NatWest prevented Mr W from using his debit card during the notice period but say any existing direct debits and standing orders would've still been processed. Mr W withdrew all of his funds before his accounts closed.

Mr W says he doesn't know the reason why NatWest decided to close his accounts, and they refuse to tell him. He thinks it may be because of a payment of £10,000 he deposited into his current account a few months before. He says this was an inheritance payment that had been held on trust for him. He's provided correspondence he says is from his father and grandmother in support of this.

Mr W complained to NatWest. He thinks they should tell him their reasons for closing his accounts and they're responsible for him not being able to open an account elsewhere. NatWest rejected his complaint. They say they don't need to give him any more reason, other than that his accounts were closed under the following terms:

*"We can close your account immediately if:*

- *We reasonably suspect that you've given us false information, which was a significant factor in our decision to open your account (or continue to provide it to you);*
- *We reasonably suspect that your account (or any other account you hold with us) is being used, or is planned to be used, for an illegal purpose;*
- *You behave in a threatening or violent manner towards our staff;*
- *We're required to do so by law or regulation;*
- *You're declared bankrupt;*
- *You've entered into a voluntary arrangement with your creditors to repay your debts;*  
*or*
- *You've used your account for business purposes.*

*We can also close your account by giving you at least 60 days' notice."*

Mr W brought his complaint to us. He says NatWest's actions will leave him homeless and without access to an account. He lives with his mother and has been using her account since his accounts closed, but she plans to move to France, close her account, and sell the property. He says after this happens, he'll be unable to find somewhere to live or to operate financially, which includes making child support payments.

Mr W says he's obtained information from the Credit Industry Fraud Avoidance System (CIFAs), who operate the National Fraud Database. He says this information shows another bank registered a 'misuse of facility' marker against him in December 2012. He says

someone used his details to try and open a student account with that bank, but he's no way of proving it wasn't him.

An investigator at our service looked into Mr W's complaint and decided not to uphold it. In summary they found:

- NatWest could close his accounts on the basis they no longer wanted him as their customer, as long as they'd followed the account terms. Looking at those terms, they didn't think NatWest had given Mr W enough notice to close his accounts. They thought he should've received 60 days' notice instead.
- NatWest probably hadn't closed his accounts because of the inheritance payment he received. The reason for this was the payment had gone into his current account several months before they decided to close his accounts.
- Mr W was frustrated at not knowing why his accounts closed, and this is understandable. But NatWest don't have to give him their reasons for their decision. They've confirmed they hadn't recorded any external markers in relation to Mr W, so it was unlikely they were the reason why he couldn't open accounts elsewhere.
- NatWest closed Mr W accounts while a CIFAs marker was recorded against him. It's likely the marker had some influence over other banks' decisions not to offer him accounts. But this marker was recorded by another bank and not NatWest, so they couldn't be held responsible for the effect of that banks' decision.
- NatWest should've given Mr W 60 days' notice, but it's unlikely this would've resulted in him being able to open an account with another bank account. The CIFAS marker would've still been in effect after the additional 46 days had passed.
- The CIFAs marker likely expired in December 2018, so Mr W should now stand more chance of getting an account elsewhere.

Mr W strongly disagreed with the investigator's findings. Without a bank account, he says he can't meet his payment obligations. He also says the extent of the distress he experienced as a result of NatWest's actions hasn't been properly considered.

Mr W has asked for a final decision from an ombudsman, so the complaint has been passed to me to decide.

### **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, my review of the evidence has led me to the same overall conclusions as the investigator previously set out and for broadly the same reasons.

I understand Mr W is very concerned by NatWest's decision to close his accounts. But our investigator was correct in asserting they don't have to give him their reasons for doing so. There is currently no regulatory requirement I know of which requires them to give Mr W their reasons.

NatWest can decide not to continue its relationship with Mr W, in the same way he could've decided he no longer wished to transact with them. Their decision to do so is not something

we would generally interfere with, as this would impinge on their freedom to decide who they want as a customer, which includes their existing customers.

I've considered why NatWest decided to close Mr W's account and I think their reasons are legitimate in falling within their commercial discretion. I've considered too whether they followed their terms and conditions when giving Mr W notice to close his accounts, but I don't think they did.

The terms NatWest relied on relate to their ability to close Mr W's accounts immediately, even though they still gave him 14 days. But those terms only apply to specific circumstances. And, considering the information they've provided, I can't see those circumstances were met, and so I don't think they applied their terms reasonably.

So, I think NatWest should've given Mr W 60 days' notice to close. But for me to uphold his complaint I'd need to think they caused the loss he says he experienced. I've considered very carefully what he's said on this matter, particularly his points on being unable to open an account to pay bills, and the distress and embarrassment not having an account has caused. I acknowledge this must've been a very difficult time for him, but I do agree with the finding our investigator made.

NatWest has confirmed they didn't record anything about Mr W which would be visible to other banks. So, I think its unlikely other banks' decisions not to offer him accounts were based on anything NatWest did. And, even if Mr W's accounts closed after 60 days, the CIFAS marker would've still been in operation and I think he'd have gone on to face the same situation he experienced when his accounts did close.

I appreciate Mr W may have benefitted from having his accounts open a short while longer and from being able to use his debit card for that period. But I don't think this would've substantially reduced the stress, worry and inconvenience he says he went on to experience. So, I won't be directing NatWest to compensate him for this.

### **My final decision**

As explained above, I've decided not to uphold Mr W's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 January 2020.

Liam King  
**Ombudsman**