

The complaint

Mr S complains that Coutts & Company closed his accounts without providing a reason.

What happened

Mr S held accounts with Coutts. He says that when he went to use his credit card in September 2021, it was declined. When he spoke to Coutts, they explained they had decided to close his account and did not provide a reason.

As Mr S had not received the account closure notice that provided him with two months to take alternative arrangements, Coutts reopened Mr S' accounts and provided a new notice of closure with an exit date of 22 November. However, Mr S explained he wanted to provide further evidence in an appeal to keep his accounts open. Despite this, Coutts issued a final notice of closure on 16 February 2022 and the accounts were closed on 22 April 2022. They said that this was a commercial decision made in line with the relevant terms and conditions.

Mr S was unhappy with this and referred the complaint to our service. He requested for his accounts to be reinstated and to receive compensation. Our Investigator looked at the case and felt that Coutts had closed the accounts with fair notice and were not obliged to provide Mr S with a reason why. So, they did not feel Coutts had made an error.

Mr S disagreed with the outcome. As an informal agreement could not be reached, the complaint has been passed to me for a final decision.

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.

Having done so, I agree with the Investigator for largely the same reasons.

Looking at the terms and conditions of the account, it states Coutts may 'close any of your accounts or terminate the agreement for any other reason on at least 60 days' notice'. Looking at this, I'm satisfied that Coutts' decision to close the accounts with 60 days' was made in line with the relevant terms and conditions.

So, I've gone on to consider whether Coutts has acted fairly and reasonably in how they've taken this action. I realise that this will seem unfair to Mr S – after all, Coutts have closed an account he wanted to keep and won't tell him why they've done this. However, they are not required to do so. I have reviewed Coutts' rationale for making this decision and I don't think they reached it unreasonably.

It'll be frustrating for Mr S that we can't provide this reasoning to him, but Coutts is entitled to ask us to keep information confidential, where it relates to commercially sensitive matters. I hope that it'll be of some reassurance to Mr S that this service as an impartial and independent body has reviewed these reasons though. Having done so I think that they were entitled to make the decision they did and followed the correct process for doing so, which

means I can't see they have made an error in the circumstances.

I appreciate Mr S has asked for me to delay providing my decision on his case until he receives data from a subject access request he made with Coutts. However, having carefully reviewed all of the information available to me, I am satisfied that I have enough information to come to a fair and reasonable outcome on Mr S' case.

Based on what I've set out above, I do not instruct Coutts to reinstate Mr S' accounts and I do not think compensation is appropriate in the circumstances.

My final decision

I do not uphold Mr S' complaint against Coutts & Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 August 2023.

Rebecca Norris
Ombudsman