

The complaint

Mr C complains that National Westminster Bank Plc (“NatWest”) didn’t pay his credit balance to him when it closed his account.

What happened

Mr C held an account with NatWest. In April 2022, NatWest closed the account due to inactivity. It had a credit balance of around £350 at the time. But this wasn’t paid to Mr C when the account was closed, so he raised a complaint.

NatWest responded to the complaint in October 2022. It accepted that the funds should have been sent to Mr C when his account was closed. It said there had been a bank error and apologised. It offered him compensation of £75 for the distress and inconvenience caused. NatWest said that the compensation would be paid to Mr C by cheque and asked whether this should be addressed to Mr C himself or someone else to pay in for him.

NatWest also said it had set out in writing what Mr C needed to do to reclaim the account balance. It said this information had been sent to a third party who Mr C had given NatWest permission to communicate with on his behalf.

But Mr C wasn’t happy with NatWest’s response and brought the complaint to this service. He wanted NatWest to return his funds straight away and pay him compensation to reflect the fact that he had waited so long for his money. He said he had spent time calling, writing and sending emails but the situation still wasn’t resolved. He said that not having access to his funds had impacted his mental and physical health.

Our Investigator thought NatWest had acted fairly and didn’t ask it to do any more. But Mr C didn’t agree. He still hasn’t received his funds and says that £75 isn’t enough compensation given how many months he’s been waiting to get his money back. He asked for the complaint to be reviewed by an Ombudsman.

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.

NatWest accepts that the credit balance from Mr C’s account should have been paid to him when the account was closed. So, I don’t need to look into whether that should have happened or when. Instead, I’ll focus on whether NatWest has done enough to put things right following its mistake.

When Mr C first complained, NatWest requested some further information so that it could investigate fully. Once it had this information, it upheld the complaint and wrote to Mr C in October 2022 to tell him this. It told Mr C in its final response letter that it had written to the person he’d given permission for it to communicate with, explaining what Mr C needed to do to reclaim his funds. I’m satisfied that NatWest sent an email to a third party in November 2022. This explained that Mr C needed to either send an email or write to NatWest to reclaim

his funds. The email address and postal address were provided in this email. It explained that Mr C would need to provide evidence of his identity and current residential address. It confirmed the documents it would accept to satisfy these requirements. It said that Mr C would also need to provide details of where to transfer the funds.

NatWest said that, once it received this information from Mr C, it could start the retrieval process so that Mr C could receive his funds. So, I find that NatWest set out the steps which Mr C needed to take in order to retrieve his funds. It provided this information in November 2022 to a third party on Mr C's behalf. I think that was fair. It appears that this information didn't reach Mr C, which is very unfortunate. But I don't think that was NatWest's fault.

I have asked our Investigator to send a hard copy of the email to Mr C in the post, so that he can see what he needs to do to recover his money. I think the steps that NatWest is asking Mr C to take are reasonable. Some of them would have been required even if NatWest had paid the funds to him at the time it closed the account (such as providing details of where to send the funds). But I think some of the other steps are only necessary because NatWest didn't pay the funds to Mr C when it should have done, meaning he now has to go through the reclaims process. This adds to the stress and inconvenience for Mr C.

But NatWest has already said it will pay him compensation of £75. I think that's fair in the circumstances here to reflect the fact that the funds weren't paid to Mr C when the account was closed and that he has to actively take steps to retrieve them now. The account was closed in April 2022 and NatWest provided details of how to retrieve the funds in November 2022. From the information I've seen, I don't think NatWest knew about the complaint until August 2022 and it didn't have all the information it needed to respond until October 2022. So I don't think it caused unnecessary delay in providing the relevant information to Mr C.

The £75 hasn't been paid yet. But that's because NatWest is waiting to hear from Mr C about who the cheque should be payable to. I would urge Mr C to provide this information as soon as possible, together with details of where the cheque should be sent. NatWest is also waiting for the requested information from Mr C so that it can send his account balance to him. Again, I would encourage Mr C to provide this information as soon as possible.

I realise Mr C will be disappointed by my decision, and I'm sorry for that. But I think NatWest has done enough to put things right after its initial mistake. And I don't think its responsible for all the delays here. So, I'm not going to ask it to do any more.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 December 2023.

Katy Kidd
Ombudsman