

The complaint

Miss A complains that National Westminster Bank plc closed her current account without notice and failed to account to her for funds held in it.

Miss A has been represented by a family member, so references to her submissions include those made on her behalf.

What happened

Miss A held three accounts with NatWest – a current account and two savings accounts. The balance on each immediately before the events which led to this complaint was fairly modest.

On 10 and 11 May 2022 the current account was credited with a total of £10,119 over four payments. On the same dates transfers out of the account totalling £10,125 were made. The account statements indicate the payments out were all made to an account in Miss A's name.

Soon afterwards NatWest contacted Miss A to say that it would be closing the account with immediate effect.

Miss A said that she did not know anything about the money that had been paid into her account and that she did not feel the bank had done enough to prevent a third party from gaining access to it. She complained too that her details had been passed to CIFAS, the UK's fraud alert service; this was preventing her from opening an account with a different provider.

NatWest said that it had not done anything wrong. It had acted in line with the account terms and had properly accounted to Miss A for all the funds held in each of the accounts.

Miss A referred the matter to this service. Our investigator did not recommend that the complaint be upheld. Miss A did not accept that recommendation and asked that an ombudsman review the case.

I did that and issued a provisional decision, in which I said:

Banks can generally decide for themselves whether to provide – or continue to provide – banking services to any customer. They should usually give notice before withdrawing services, but in certain circumstances do not have to do so. That general position is reflected in NatWest's account terms, and Miss A was not given any notice before her account was suspended and then closed.

Miss A says she does not know anything about the payments into and out of her account on 10 and 11 May 2022. I can see how someone might be able to make payments into her account without her knowledge or consent, but it would have been much more difficult for a third party to make the withdrawals. And I note that the withdrawals were made to an account which, on the face of it, was controlled by Miss A.

In my view, therefore, NatWest was within its rights to close Miss A's account. If, as she says, she was not involved at all in the transactions on 10 and 11 May 2022, it is clear that her account had been compromised by fraudsters. Alternatively, she was more directly involved. Either way, I think the bank acted reasonably in closing the account without notice. That is the case, whether or not Miss A was directly involved and whether or not she benefited from those transactions.

I do not accept that the bank should have done more to monitor the account than it did. In any event, it contacted Miss A on 18 May 2022 about the transactions – that is, it did tell her about its concerns.

As far as the account balance is concerned, the account statements indicate that it was £59.35 before the credits made on 10 and 11 May 2022. As I have indicated, Miss A denies any knowledge of the four payments into the account and has not suggested that she was entitled to the money which passed through it. I am satisfied that NatWest has paid her the money represented by the account balances.

Miss A did not accept my provisional findings. Through her representative, she said that she thought I was accusing her of being involved in the payments. She said too that the bank had not sought authorisation for the payments from her.

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 that, I have not however changed my view from that set out in my provisional decision. I shall discuss briefly the points made in response to it.

It is of course open to me to make a finding that Miss A was directly involved. She has referred the matter to the Financial Ombudsman Service for an independent assessment of it, and that carries with it the possibility that an ombudsman will make findings of fact which do not fully accept her account of events. But my provisional decision in fact concluded that the bank's actions were fair, whether or not Miss A was directly involved and whether or not she benefited from the payments.

As far as authorisation of the payments is concerned, a bank would not usually seek the authority of its customer before accepting a payment into an account. The transfers out of the account were online payments, and so would only have been made if Miss A's security details had been provided. That is, the bank's systems would have identified them as authorised. I accept of course that they may not have been, if someone else had been able to obtain Ms A's security information. But, since Miss A does not claim to have been entitled to the funds in any event, I don't believe it makes any difference to the outcome. If the bank had stopped the payments at any point, I think it would still have been within its rights to close Miss A's account.

My final decision

For these reasons, my final decision is that I do not uphold Miss A's complaint and do not require National Westminster Bank Plc to take any further steps to resolve it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 2 January 2024.

Mike Ingram
Ombudsman