

## **The complaint**

Mr R and Mrs B complain that National Westminster Bank Plc unfairly blocked and closed their accounts. They say this caused them a lot of problems and upset and want NatWest to pay them compensation.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr R and his wife Mrs B were long standing customers of NatWest. They had a joint current account and savings accounts with the bank. Mr R has explained that although he has other accounts with a different bank, the NatWest accounts were he and his wife's main accounts. He has said that he used the accounts to receive his salary, pay bills including direct debits and pay for important things for his family such as his children's school dinners.

In September 2022, NatWest blocked and reviewed Mr R and Mrs B's accounts. This meant they weren't able to access the funds in the accounts. The accounts were blocked between 20 and 30 September 2022. Following this, in November 2022, NatWest decided to close Mr R and Mrs B's accounts. NatWest wrote to them to let them know they had 60 days to make alternative banking arrangements. The accounts were closed in February 2023.

Mr R discovered that the accounts were blocked when he noticed his accounts had vanished from his banking app and he couldn't access them via online banking. Mr R made several phone calls to NatWest whilst the accounts were blocked seeking an explanation for the bank's actions. He said NatWest wouldn't provide him with much information, didn't call him back when promised and overall, he was passed from pillar to post, speaking to around half a dozen different members of staff, which was frustrating, time consuming and upsetting.

Mr R has said that due to the block he and his wife couldn't use their bank cards so he had to ask a work colleague to buy him lunch, and his wife couldn't pay for things in a shop for their daughter, both of which were embarrassing and upsetting. Mr R says that this was more stressful for Mrs B because at the time she was pregnant.

Mr R has also said that the accounts of other members of his family were blocked at the same time. He's said that this is no coincidence, and he believes NatWest has a vendetta against his family based on their ethnicity and religion. In support of his beliefs, he has explained that NatWest have blocked his accounts previously after he made some transactions relating to a religious pilgrimage trip he'd planned. So, he says NatWest has discriminated against him in taking the actions it did. He wants NatWest to pay him £5,000 compensation for the trouble and upset the block and closure of his accounts caused him and his wife.

NatWest said it was complying with its legal and regulatory obligations when it had blocked and closed Mr R's and Mrs B's accounts. It acknowledged that at times it didn't provide the best service in response to Mr R's calls and apologised.

Unhappy with this response, Mr R and Mrs B brought their complaint to our service where an investigator considered it. The investigator asked NatWest to provide more information about why it had blocked and then closed Mr R and Mrs B's accounts. The investigator also asked NatWest to provide a copy of the call recordings of the conversations it had with Mr R. NatWest gave us some information but said it couldn't provide anything more than it had already provided to us. The bank said it was complying with its legal obligations and hadn't discriminated against Mr R and Mrs B.

The investigator said that based on the limited information the bank had provided, he couldn't say the bank had treated Mr R and Mrs B fairly when it had blocked and closed their accounts. So, he said that NatWest should pay Mr R and Mrs B £150 compensation for the trouble and upset this had caused them. Mr R disagreed and said that the amount of compensation offered is insulting and doesn't adequately reflect the amount of trouble and upset he and his wife suffered. He also wants NatWest to explain why it did what it did.

In response to the investigator's view NatWest provided more information about the reasons it blocked and closed Mr R's and Mrs B's account. It also pointed out that as a former employee of the bank, Mr R would be well aware that it doesn't tolerate discrimination. It also said that after searching, it couldn't find any call recordings of the calls Mr R made to the bank. So wasn't able to provide them to our service.

The investigator reviewed the further information NatWest provided. Based on the information he said he no longer thought NatWest had treated Mr R and Mrs B unfairly when it blocked and closed their accounts. So, he didn't uphold their complaint.

Mr R disagreed. He said NatWest are deliberately withholding the calls he had with them, and he strongly believes NatWest actions are based on discrimination. He's said he has done nothing wrong and always maintained his accounts properly. He wants an explanation and £5,000 compensation for all the upset and trouble the banks actions caused him and his wife.

As no agreement could be reached the matter has come to me to decide.

### **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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information NatWest has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr R and Mrs B, but I'd like to reassure them that I have considered everything.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr R, Mrs B and NatWest have said before reaching my decision.

### *Account block and closure*

NatWest are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review.

The terms of the account also permit NatWest to block an account. This means NatWest is entitled to block and review an account at any time.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for NatWest to block Mr R and Mrs B's accounts. NatWest has explained that this was its standard procedure, and I accept that it was. I'm satisfied that in doing so NatWest were complying with its legal and regulatory obligations. So, whilst I accept, the bank's actions caused Mr R and Mrs B inconvenience and upset when it blocked their accounts, I can't say the bank did anything wrong and treated them unfairly in doing so.

Banks are also entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to open an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly. In this instance the terms of Mr R's and Mrs B's accounts say that in certain instances NatWest can close the accounts with immediate notice and by providing 60 days' notice. NatWest wrote to Mr R and Mrs B in November 2022, giving them 60 days' notice that it was closing their accounts and that they'd need to make alternative banking arrangements.

This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Just the same as if Mr R and Mrs B decided to stop banking with NatWest, they wouldn't have to explain why. Based on what NatWest has shared with this service, I'm satisfied their actions were reasonable in the circumstances. And the bank's decision to stop providing Mr R and Mrs B with banking facilities was reached legitimately and fairly.

In reaching this conclusion I've also considered Mr R's submissions that he and Mrs B has believe they are victims of racial discrimination by NatWest. While I can appreciate this is their perspective, it is not the role of the Financial Ombudsman Service to decide whether the business has acted unlawfully or not – that's a matter for the Courts. I'm required to consider a number of factors in order to decide Mr R's and Mrs B's complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the provisions of the Equality Act 2010 . And after looking at all the evidence, I've not seen anything to suggest that NatWest decided to block and close Mr R's and Mrs B's accounts for an improper reason.

### *Communication*

Mr R says he made numerous phone calls to NatWest to try and find out what was happening to his accounts. He has explained that he had to take time out of his working day to make the calls and the bank wouldn't give him any information, were generally unhelpful

and he never received promised call backs. Mr R says that the bank does have the call recordings and are deliberately not providing them to this service.

This is a serious allegation. We've asked NatWest to set out its rationale for closing Mr R's and Mrs B's accounts. We've also asked for the recordings of all the calls Mr R had with bank staff. I would expect it to set out for our service the full details of all of its interactions with Mr R when asked to do so. And the events which led to the block and closure of Mr R's and Mrs B's accounts. I've not seen any evidence that would suggest it hasn't done so. And I don't think, as Mr R seems to fear, that there is anyone within NatWest who is deliberately misleading or withholding information from this service.

Based on his detailed submissions, I accept that Mr R made a number of calls to NatWest and that each time he did he spoke to a different member of staff. It's unfortunate that NatWest haven't been able to provide the recordings. So, I don't know what was said. But I can see that NatWest wrote to Mr R on 26 September 2022, explaining that it had blocked his accounts. From looking at the final response letter NatWest sent to Mr R dated 28 September 2022, the bank accepted that the service it provided to Mr R when he called the bank to try and find out what was happening with his accounts fell short. NatWest apologised and I think this is a fair and reasonable way to resolve this aspect of Mr R's complaint. So, I won't be asking the bank to do anything further.

In summary, it's clearly caused Mr R and Mrs B trouble and upset when they weren't able to use their accounts. I appreciate it must have been a worrying and frustrating time for them. So, I realise they will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't say NatWest treated Mr R and Mrs B unfairly when it blocked and closed their accounts.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr R to accept or reject my decision before 11 December 2023.

Sharon Kerrison  
**Ombudsman**