

The complaint

M complains about difficulties completing a business profile review with National Westminster Bank Plc (NatWest).

What happened

M's director, Mr J, has explained that it has held a business account with NatWest since 2011 and had previously completed a business profile review in 2018, submitting documents in paper format. Mr J says the process was quick and straight forward to complete.

In March 2022 NatWest contacted M and explained it needed to carry out a business profile review. This time, NatWest asked for documents to be submitted via its online business banking facility. A follow up request was issued in April 2022 reminding Mr J to complete the review online. On 9 June 2022 NatWest contacted M and thanked Mr J for starting the review process. NatWest advised further information was required, including an Ownership Structure Chart. NatWest advised guidance on how to proceed could be found online.

Mr J's told us he spoke with someone at NatWest in July 2022 and was told M had complied with the information required. NatWest says it has no record of that call and that Mr J hadn't submitted everything required to complete its review.

On 6 July 2022 NatWest wrote to M again and confirmed the information noted in its previous correspondence remained outstanding. NatWest's letter explained that if the information wasn't received by 5 August 2022 it would restrict M's account. On 5 August 2022 NatWest wrote to M to say it had applied the account restrictions as the information it needed hadn't been supplied. Mr J was asked to call. NatWest's contact notes show it tried to call Mr J on 8 August 2022 and 24 August 2022 without success.

On 27 October 2022 Mr J wrote to NatWest and explained he'd been abroad when its letter of 5 August 2022 had been received. Mr J raised concerns that NatWest had restricted the use of M's business account and the funds it held. Mr J explained that the restrictions meant payments, including direct debits, weren't made which had caused difficulties and charges to be incurred.

No response to Mr J's letter was received so he called NatWest on 30 November 2022. During the call, the account restrictions were lifted. On 1 December 2022 Mr J spoke with an agent at NatWest and, between them attempted to complete the outstanding Ownership Structure Chart. But the chart submitted wasn't right and rejected. An appointment for Mr J to speak with an agent on 12 December 2022 at 12pm was made.

An agent at NatWest called Mr J around an hour later than was promised. But Mr J's told us he didn't feel comfortable answering the security questions asked so the appointment didn't continue. Mr J called back the following day and the Ownership Structure Chart was completed and submitted to the relevant team. The account restrictions were removed by NatWest on 14 December 2022.

NatWest issued a final response to M's complaint on 20 December 2022 and said its account had been correctly restricted as not all the information required to complete the business profile review had been supplied. NatWest advised it had written to confirm its intention to restrict M's account if the information wasn't provided. NatWest didn't uphold M's complaint and said that Mr J had the option of referring it to the Financial Ombudsman Service.

Mr J wrote back to NatWest on 3 January 2023 and asked a number of questions, explaining he didn't feel its final response fully answered M's complaint. On 8 March 2023 NatWest wrote to M to confirm its business profile review was complete but no response to Mr J's letter was issued. Mr J contacted NatWest again to see whether a response to his letter would be issued. NatWest sent Mr J an email on 20 March 2023 confirming it had issued its final response on 20 December 2022 and M had been given referral rights for the Financial Ombudsman Service if Mr J remained dissatisfied.

An investigator at this service looked at M's complaint. They thought NatWest had reasonably restricted M's account following requests for information to complete the business profile review. The investigator didn't agree that NatWest had made mistakes or treated M unfairly and didn't ask it to take any further action.

On M's behalf, Mr J asked to appeal and said NatWest's initial request was for a certificate of incorporation for a Ltd company (D) that formed part of the ownership structure of M. Mr J has explained this was submitted to NatWest. Mr J also said that the work required to resolve the account issues caused by NatWest's restrictions had taken around 15 hours to complete which had caused a loss to M. Mr J asked to appeal M's complaint so it's been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

In response to the investigator, Mr J said that he had complied with NatWest's requirements by submitting a certificate of incorporation for D, the limited company that forms part of the ownership structure for M. Mr J says this was confirmed over the phone as being the information NatWest required to complete its business profile review. But NatWest has told us it has no record of giving Mr J that advice and explained it had been requesting an Ownership Structure Chart from M since the business profile review process started. I've looked at the available information to see what I think is most likely to have occurred.

I can see NatWest's initial correspondence asked Mr J to log in and start the business profile review for M. On 9 June 2022 NatWest emailed Mr J and said he needed to supply two more pieces of information. The first were details to help NatWest verify the identity of the individuals controlling M. The second request was for an Ownership Structure Chart to be supplied. NatWest says it needed this due to the way M's ownership is structured. NatWest sent Mr J a follow up email on 7 July 2022, reiterating its request for the same information

and explaining the account would be restricted if the request wasn't complied with. Which is what NatWest went on to do on 5 August 2022.

I understand Mr J's told us he was informed the information he'd already submitted was sufficient. But NatWest has explained there's no record of a call of that nature. And it's pointed out that the certificate of incorporation Mr J's told us he was asked to submit wasn't the information it had requested in its correspondence with M.

Where the events of a complaint are disputed by the parties involved I'll base my decision on the balance of probabilities. That is, what I consider most likely to have occurred taking all the available information into account. I'm sorry to disappoint Mr J, but I haven't seen anything that shows NatWest misled him or advised that its business profile review had been completed before the account restriction was put in place on 5 August 2022. From what I've seen, I think it's more likely that NatWest still required Mr J to submit further information on M's behalf, which is why it continued to request he make contact to complete the business profile review.

NatWest applied an account restriction on 5 August 2022 which meant M's account wasn't making payments. Mr J's explained that because he was abroad for an extended period he received NatWest's letter on his return which led him to write to it on 27 October 2022. Whilst I understand Mr J feels the restriction of M's account was unreasonable, it's a step NatWest's terms and conditions allow it to take in the circumstances. I don't doubt the account restriction caused a lot of inconvenience to M, but I haven't found evidence to support it was unfairly or incorrectly applied by NatWest.

The account restriction was removed when Mr J spoke with NatWest on 1 December 2022 but reapplied a short time later as the business profile review process wasn't completed. Once Mr J was able to go over the ownership structure of M with an agent on 13 December 2022 and NatWest's records were updated, the restriction was removed. I'm satisfied that was fair as M had complied with the business profile review.

I've listened to various calls Mr J had with NatWest on M's behalf. I understand why Mr J found the process frustrating and longwinded. But I felt the agents Mr J spoke with were professional and sought to help. I agree there were some service issues, like the promised call back on 12 December 2022 being an hour later than agreed. But overall, I didn't find evidence to show poor service. During the call on 1 December 2022 the agent Mr J spoke with tried to assist. But they weren't from the team that completes the business profile reviews so whilst they attempted to help Mr J update the ownership structure chart, they weren't able to do so. However, the agent arranged for another member of staff from the relevant team to call Mr J on 12 December 2022 at 12pm. I'm satisfied that was reasonable in the circumstances.

Once Mr J spoke with the relevant team on 13 December 2022 all the information required was submitted and subsequently approved. The account restriction was removed the following day. I'm satisfied that removing the account restriction within 24 hours of receiving the final pieces of information required to complete the business profile review was reasonable.

NatWest issued its final response to M on 20 December 2022 and explained that if Mr J remained dissatisfied he had the right to refer the complaint to this service. Mr J sent a detailed letter, requesting a substantial amount of additional comment, on 3 January 2023. But NatWest went on to explain it had already issued its final response to M's complaint on 20 December 2022 and wasn't looking to correspond further on the matter. I understand Mr J wanted a more comprehensive response and explanation from NatWest in relation to M's complaint. But once a business issues a final response and includes referral rights to

this service it's not obliged to continue corresponding. I'm satisfied that NatWest's letter dated 20 December 2022 confirmed it was its final response to M's complaint and how to refer the matter to the Financial Ombudsman Service. I haven't been persuaded that NatWest acted unfairly when it declined to provide further comment.

I'm sorry to disappoint Mr J as I can see how strongly he feels in this matter. But the information provided by both parties shows NatWest consistently asked for an Ownership Structure Chart to be supplied going back to when the business profile review started. And I'm satisfied that once that information was supplied by M, NatWest completed its review without unreasonable delay. I appreciate the account restrictions caused M a reasonable level of inconvenience but I haven't been persuaded NatWest acted unfairly or outside the terms and conditions of the business account. For the reasons I've given above, I haven't been persuaded to uphold M's complaint.

My final decision

My decision is that I don't uphold M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 3 January 2024.

Marco Manente
Ombudsman