

The complaint

Mr and Ms P complain that National Westminster Bank Plc closed their joint bank account without notification and wouldn't agree a practical method to resolve matters. Ms P has dealt with the complaint at all stages and so I have just referred to her.

What happened

Ms P lives abroad and has a joint bank account with NatWest. She said she no longer has need of the account but cannot log in and transfer the balance and close the account properly as NatWest has blocked her online access.

Ms P said she didn't receive any notification from NatWest regarding the pre-dormancy and possible closure of her joint account. She was put in touch with NatWest's 'Personal Dormant Team' and told that the account was made dormant as she hadn't contacted the bank for over nine months as set out in its letter. Ms P said she didn't receive the letter.

Ms P asked NatWest to make the account available online again for a short period to enable the remaining balance to be transferred out and the account to be closed permanently. She said this was the safest and most secure method to settle matters, but NatWest declined and asked her to telephone. Ms P said time differences made calling difficult and asked to use email. NatWest said it could send her information via encrypted email, but she would need a password only available via a telephone call.

Ms P complained to NatWest, and it responded to say her account was closed on 28 February 2023 as a dormant account. It said the proper process of communication was followed and explained what Ms P had to do to obtain the balance of the account, involving sending identity documents, but it wouldn't re-open the account at Ms P's request.

NatWest said confidential information such as an account closure has to be sent by post. But Ms P said NatWest's email of 30 September 2017 confirmed all correspondence would be sent to the online mailbox on the account and said post was disrupted during the pandemic. Ms P said as there's no proof notification was sent NatWest hasn't met its regulations and processes. And she's been denied the opportunity to close the account in a safe and secure manner. Ms P said it isn't secure to send her documents by post as NatWest suggested and is contrary to government advice. She requested a copy of NatWest's policy about this.

Ms P was dissatisfied with NatWest's response and referred her complaint to our service. Our investigator didn't recommend that the complaint be upheld. She said it's more likely than not that NatWest sent Ms P information about the account becoming dormant and as the account hadn't been used for more than five years this wasn't unreasonable.

Ms P disagreed with the investigator. She said that with the extraordinary circumstances at the time involving the closure of international borders, and lack of evidence that NatWest sent its letter, she requested an ombudsman review the complaint.

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.

Ms P complains about the lack of notice of the closure of her account. Essentially Ms P wants NatWest to temporarily re-open her account so she can reclaim the account funds, rather than follow its procedure for reclaiming the funds. She believes NatWest's approach to requiring her to email or fax their identity documents could compromise their security.

Ms P's account had last been used in 2016 and so it was reasonable and in line with NatWest's process for it to treat this as dormant. The terms and conditions of the account allow NatWest to close an account with 60 days' notice. NatWest said it wrote to Ms P nine months before closure to alert her.

I can understand Ms P's point that her communication preferences were set not to include post and should be sent to her online mailbox. NatWest didn't tell her it would write to her, but its terms and conditions of the account allow it to do so concerning the closure of an account. NatWest's process for dealing with dormant accounts states that no email correspondence will be sent to a customer regarding the closure of the account, rather only an automatically generated letter will be sent stating the pre-dormancy.

Ms P doubts that a letter was sent as she didn't receive it and a copy doesn't exist. I can understand her scepticism about this and why she wonders that NatWest would consider writing to her given the distance and background events.

NatWest has a record of the dispatch of the letter to Ms P, but copies of automatically generated letters rarely exist in bank records. However, if they weren't sent there would be a widespread break down in account management that would become very apparent. Our understanding is that international post wasn't suspended during covid, but may have been delayed, but that doesn't mean Ms P received NatWest's letter. However, I've not seen anything to indicate there were issues with NatWest's automated process and NatWest hasn't reported any issues, so on the balance of probability I think NatWest sent the letter in accordance with its automated dormancy policy.

Dormant bank accounts have proved to be extremely vulnerable to fraud and so it is understandable that banks will adopt different means of communication about their closure and the funds therein. NatWest (and other banks) have determined that the risks posed to dormant accounts are best addressed by means of letters as a new and separate means to communicate from the mailbox associated with the account. However, I think Ms P makes a reasonable point that an alert could be sent to the mailbox that a letter had been dispatched, and NatWest should think about this going forward.

Ms P disagrees with this as she has no confidence in sending her documents to NatWest by post as she doesn't consider this to be secure. But this is a process regularly followed by overseas customers of banks and has increased greatly over recent years as bank security measures have been tightened. I don't find that the process has brought about an unfair or unreasonable situation for Ms P though I sympathise with her for the difficulties she has faced.

I realise Mr and Ms P will be disappointed with this outcome but as Ms P would consider consenting to the NatWest paying the money directly into her relative's UK bank account and closing the joint account by means of their letter of authority, then the same outcome should be achieved without the risk of sending identity documents by post.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Ms P to accept or reject my decision before 15 November 2023.

Andrew Fraser
Ombudsman