

The complaint

N, a limited company, says National Westminster Bank Plc (NatWest) blocked its business account and subsequently mis-handled its administration, meaning N couldn't access the account balance worth over £300,000.

What happened

N held a business bank account with NatWest. In early 2022, NatWest placed restrictions on the account after failing to establish with N, among other things, its trading address. Difficulties continued through 2022 and, in March 2023, NatWest issued its final response on the matter.

In summary, NatWest said it could have provided clearer information to N as to who to contact to assist further. NatWest sent N a link to a form to close the account and provided a phone number in case of any problems completing the form. NatWest apologised for the poor service N had received for a time and arranged for a hamper to be sent to one of N's representatives.

N ultimately brought a complaint to this service. Our investigator felt that NatWest had valid concerns including around N's trading address. As a way forward, the investigator said they'd arrange for details of a contact point at NatWest to be forwarded to N so that the situation might be resolved between the parties amicably – possibly with the account remaining open.

N didn't accept the investigator's findings. It said NatWest had restricted access to its account and had, for over a year, failed to advise it how to properly regain access to the account and the funds held in it. N said *'Of course one phone call to someone of stature at NW could avoid all this'*.

As such, the complaint was passed to me to review afresh and reach 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.

Having done so, I don't uphold the complaint. I'll explain why.

I recognise the inconvenience that must have been caused to N in discovering that access to its account had been restricted. And that this would have been compounded by the difficulties it encountered in trying to remove these restrictions. Although NatWest accepts it could have provided clearer information at times, I note it's apologised and offered compensation for that.

While the difficulties N had in accessing the account ran for a considerable period of time – and I gather are ongoing – I can't see enough evidence to show NatWest was at fault beyond the aspects it's already accepted responsibility for.

N considers the issue leading to restrictions being placed on the account as being '*minor*' in nature and that NatWest was merely prevented '*from ticking one of their compliance boxes*'. But UK banks are required by law to undertake '*Know Your Customer*' (KYC) checks – such as those that gave rise to the issues in this case – to prevent fraud. These are important checks for financial businesses to carry out with potentially serious consequences for them, and their customers, if they don't.

That being the case, I don't consider that NatWest treated N unfairly in acting as it did despite recognising the impact this has had on N.

Going forward, I'm glad to see that the investigator's arranged for N to have the contact details of a representative of NatWest in a position to assist further, and that N's reached out to them.

My final decision

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

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

Nimish Patel
Ombudsman