

The complaint

Mr B complains that National Westminster Bank Plc unfairly closed his accounts. He says this caused him financial problems and impacted his credit score. He wants NatWest to pay him compensation for the trouble and upset he suffered.

What happened

Mr B had a current account with NatWest.

In January 2021, NatWest decided to review Mr B's account. Following its review, in December 2020, NatWest decided to close Mr B's account and wrote to him to let him know he needed to make alternative banking arrangements.

Mr B contacted NatWest to try and find out what was happening with his account but says the bank wouldn't tell him much about why it no longer wanted him as a customer.

Mr B complained to NatWest. He said he hadn't done anything which would've caused the bank to close his account and had always maintained his account properly. He told the bank that the closure meant he wasn't able to pay his bills, receive his wages or buy shopping. He also said that his credit file was impacted and dropped significantly.

NatWest said it hadn't done anything wrong when it reviewed Mr B's account. The bank also said it had closed Mr B's account in line with the terms and conditions. Unhappy with this response Mr B brought his complaint to our service. He said that NatWest's actions had caused him great deal of stress and he wasn't able to sleep. He says NatWest has treated him unfairly and wants the bank to provide a proper explanation about why it closed his account.

One of our investigator's looked into Mr B's complaint. She said NatWest hadn't done anything wrong when it had reviewed and closed Mr B's account. Mr B disagreed. He says NatWest treated him unfairly and damaged his credit file. He wants the bank to explain why it closed his account and compensation for the trouble and upset the bank's actions caused him.

As no agreement could be reached the complaint 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 B, but I'd like to reassure him that I have considered everything.

Mr B has explained that the closure of his account has caused him a lot of problems and upset – especially as he was relying on his account to receive his wages and pay for everyday spending. I'm sorry that what's happened has caused Mr B trouble and upset. But it's generally for financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that they must keep a customer or compensate a customer who has had their account closed.

I've considered whether NatWest acted fairly in closing Mr B's account. In doing so, I've looked at the terms and conditions of his account and regulations. The terms and conditions outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account with less notice. In this case NatWest closed Mr B's account without the full notice period. For NatWest to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that the bank did. And that it was entitled to close the account as it's already done. So, I can't say NatWest treated Mr B unfairly when it closed his account.

I understand that Mr B wants NatWest to explain the reason it closed his account applied and he is upset that when he spoke to the bank's he wasn't able to find out much at all about why the bank had decided to close his account. But NatWest is under no obligation to tell Mr B the reasons behind the account closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it to do so.

I appreciate what Mr B has said about his credit file. Whilst I accept what Mr B says and understand his concerns, I haven't seen any evidence that NatWest closing his account led to Mr B suffering any financial loss or meant he couldn't apply for another account. In fact, I note that Mr B was able to open another account quite quickly with another bank.

NatWest reported information about how the account had been managed when it closed Mr B's account. NatWest is under an obligation to report accurate information. I'm satisfied that is what has happened here.

I can understand Mr B is concerned that because it was NatWest who closed the account and not him the closure may impact his credit file. But I've not seen any evidence that this is the case. I've also kept in mind that Mr B didn't owe anything when the account was closed. So, I think it is unlikely that the closure of this account impacted his credit file.

In summary, it's clearly caused Mr B inconvenience when NatWest close his account. So understandably he's upset. And I appreciate it must have been a worrying and frustrating time for him. So, I realise she will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I'm satisfied that NatWest has treated Mr B fairly when it closed his account. So, I won't be telling NatWest to do anything else to resolve Mr B's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold Mr B's complaint against National Westminster Bank Plc.

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

Sharon Kerrison
Ombudsman