

## **The complaint**

Miss R complains National Westminster Bank Plc ("NatWest") restricted and then closed her accounts without explanation. Miss R adds that NatWest's handling of the matter and related communication has been extremely poor.

Miss R says NatWest's actions have caused her significant distress and inconvenience for which it should pay her sufficient compensation. And the accounts should be re-opened.

## **What happened**

Miss R has appointed her father as her representative. But to keep things simple, I will mainly refer to Miss R in my decision.

Miss R says she received a text message from NatWest on 9 June 2022 informing her that her accounts had been suspended. And that NatWest had decided to end its banking relationship with her.

NatWest sent Miss R notice that it was closing her accounts within 14 days, and she will be unable to use the accounts from the date of that letter - dated 16 June 2022. Miss R says she went abroad on holiday on 17 June 2022 and was left without access to her money during the time she was away.

Miss R, and her representative, say they called, attended branch, wrote, and emailed NatWest on many occasions to discuss the matter and get an explanation for its actions. On 28 June 2023 NatWest sent a letter to Miss R informing her that it can't share information with an unauthorised third-party without her authority. Miss R's father was later set-up as an authorised party.

Miss R referred her complaint to this service. Her accounts were closed on 15 July 2022, and remaining funds moved to a NatWest holding account.

NatWest sent Miss R forms to have her funds released. Miss R said she wouldn't do this until she could check the balances were correct. So, Miss R requested NatWest send her statements for her accounts as she couldn't check her balances online.

Unhappy with NatWest's actions, Miss R complained. NatWest sent Miss R two complaint responses, some of the key points it made were:

### 23 July 2022 response

- The correct decision has been made to close the accounts and it's been done so in line with the terms and conditions of the account.
- NatWest can't provide further information for its reasons to do so
- Miss R will need to complete and return the funds release form before they can be released to her. NatWest should have an answer for her in 60 days about this

## 7 August 2022

- NatWest sent a funds release form to Miss R in its last correspondence. The funds can be released 60 days' from when it receives the form(s)
- Statements have been requested for Miss R's accounts, and they will be sent to her in 10-15 working days
- NatWest are not able to arrange a face-to-face meeting with management members to discuss Miss R's dissatisfaction

Miss R says she received the statements on 13 August 2022. She then sent NatWest a cover letter attaching the release forms. The letter said she completed forms but only on the basis:

- *She doesn't admit the total on each statement is correct*
- *Signed Without Prejudice to her rights and in particular to challenge the amount payable. If it later transpires that NatWest is incorrect with the balance to be transferred it will be liable for any account anomaly and interest*

Miss R is unhappy that it took NatWest around two months to send her the statements. NatWest received the release forms on 24 August 2022, and funds were released to Miss R the following day, 25 August 2022.

One of our Investigator's then looked into Miss R's complaint. They recommended the complaint be upheld in part. Some of their key findings were:

- NatWest should have provided Miss R with 60 days' notice of their intention to close her accounts. That's because the relevant terms and conditions for closing accounts with less notice haven't been met
- NatWest were entitled to block Miss R's accounts in June 2022 while it conducted a review
- Miss R's representative requested the account statements before she completed the funds release forms. She requested them on 28 June 2022, but they weren't provided by NatWest until 13 August 2022. There was a delay here.

But they considered that Miss R didn't have to wait for her statements before completing the funds release forms. Had Miss R done so around the time she returned from holiday, it's likely she would have received them much sooner. Because of this they can't recommend compensation be awarded for the time taken for the funds to be returned.

- Due to the delays, and the correct notice period not being given, NatWest should pay Miss R £150 compensation to put things right

Miss R and her representative did not agree with what our Investigator said. I'd like to assure both Miss R and her representative that I have carefully reviewed everything they've said, even if I don't explicitly set it out here. Some of the key points they make are:

- The compensation amount is paltry, abysmal, and totally unacceptable given:
  - The time it has taken to resolve the complaint

- The lack of response from NatWest with little customer care or ownership of the issue. NatWest failed to respond to over 50 emails, and they had to communicate with around 11 departments and numerous personnel
  - No branch members were able to effectively provide any help or guidance
  - The significant inconvenience caused to Miss R and her representative
  - No explanation still given by NatWest
  - The stress and anxiety caused to Miss R especially as she is vulnerable and had her mental health condition exacerbated by NatWest's actions
  - Their family holiday was ruined as Miss R couldn't use her own funds abroad
  - No apology given by NatWest
- NatWest refused to speak to Miss R's representative saying it required a letter of authority to do so. Was this a delaying tactic?
  - Miss R received the funds release form from various departments, and she had no statements to check. This made Miss R nervous. A solicitor also advised Miss R not to sign the funds release forms until she had received the statements
  - One of Miss R's saving account's, which was under the representative's sole control, wasn't taken down until a month later in late July 2022. Would this account have been included as part of the original funds release forms? No one was able to help with this query
  - Miss R and her representative would like to attend a meeting with a responsible person from NatWest's customer care department

Our Investigator responded to Miss R. Some of the key points they made were:

- They're satisfied their recommendation of £150 is fair compensation
- They cannot award any compensation for any inconvenience Miss R's representative says they've suffered. Miss R is the eligible complainant here, so they can only look at how she's been impacted
- They have acknowledged the impact to Miss R in terms of any distress caused. To recommend an increase in compensation, Miss R would need to provide evidence of a greater impact beyond the stress and anxiety mentioned
- Miss R was still able to go on holiday and she was fortunate that she could rely on the representative – her father - for money. This isn't an ideal situation, but it was considered when recommending the compensation award
- Financial businesses aren't obliged to provide an explanation behind its decision to block or close accounts

- Asking NatWest to make a formal apology doesn't put Miss R back into a position she would have been but for its errors
- It's clear Miss R knew as early as 28 June 2022 that fund release forms were required to get them released to her. But she wasn't prepared to complete them until she had received the statements. Once completed NatWest acted in a timely way, so it's likely Miss R could've had the funds much sooner.
- Miss R's cover letter for the release forms shows that she reserved the right to challenge the amounts payable. If Miss R was going to reserve this right, she could have completed the forms in June 2022 with the same provision
- There could have been a delay caused by NatWest with setting up Miss R's representative's authority. But this hasn't caused a detriment to her as the funds being released depended on the forms being completed
- It's likely the representative was able to view Miss R's savings account in up until July 2022 as the funds weren't moved to a central holding account. It's not accurate to say this account was still active because Miss R would not have been able to access any funds
- Miss R likely continued to receive generic emails and texts from NatWest that her statements were available online because it's likely NatWest's systems were still operational until the funds were released

In response, and in summary, Miss R's representative has made the following key points:

- Miss R is classed as vulnerable and takes prescribed medication for her mental health. She is still not herself because of what has happened. The compensation award isn't fair and reasonable given the impact to her
- Miss R was unable to relax on holiday, and became reclusive and distraught because of what NatWest did
- NatWest's communication was inconsistent, and they were passed from 'pillar to post'. Miss R is unhappy with numerous staff members for their poor customer service
- Miss R didn't know where her funds were, and this caused substantive distress

NatWest did not agree with what our Investigator said but agreed to pay Miss R £150 in compensation. As both parties don't agree, this complaint has now been passed 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.

Having done so, I've decided to uphold this complaint in part. I know my decision is likely to disappoint Miss R, and I note that she feels strongly about it. So, I'll explain why.

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 focussed 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 Miss R, her representative, and NatWest have said before reaching my decision.

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 we consider should be kept confidential.

### *Restrictions and closures*

Banks in the UK, like NatWest, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

NatWest has given me some information to explain why it placed Miss R's accounts under review and restricted them. Having carefully considered this, I'm satisfied NatWest had reason enough to review and restrict the accounts – and that this was done in line with the legal and regulatory obligations it must follow.

NatWest is entitled to close accounts just as a customer may close an account with it. But before NatWest closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of both the current and savings accounts, which NatWest and Miss R had to comply with, say that it could close the accounts by giving her at least 60 days' notice. And in certain circumstances it can close an account immediately or with less notice.

NatWest effectively closed Miss R's accounts immediately given that it restricted them and gave her no access until closure some two weeks after notification was given. NatWest has given me some information as to why it decided to close the accounts, but I'm not persuaded that it has shown me enough for it to have closed the accounts in the way it has.

I would have expected NatWest to carry out a more extensive investigation to determine what course of action and importantly, what type of closure to affect. NatWest hasn't evidenced this enough. This means that I'm persuaded NatWest should not have closed the accounts down immediately – or to be more accurate, by giving two weeks' notice without access.

But I do think NatWest had reason enough to close the accounts by giving Miss R 60 days' notice. This would have alleviated some of the distress and inconvenience she suffered, as it would have given her reasonable time in which to make alternative banking arrangements.

I note that a key thread of Miss R's complaint has been the lack of any explanation from NatWest as to why it took the actions it did. I've already said that NatWest has important legal and regulatory obligations it must follow. And in doing so, and in taking the action it has, I am not aware of any obligation under which it must give an explanation.

I note from the submissions Miss R's representative makes that she was able to get a bank account elsewhere in a relative short space of time. So I think this mitigates against any award I make for distress and inconvenience.

This finding means that I need to think about what loss, and distress and inconvenience Miss R suffered during a 60 days' window that would otherwise not have occurred if the correct notice period was given. I do however think that even with a 60 days' notice, Miss R would've suffered some distress and inconvenience.

Fortunately, whilst on holiday, Miss R was able to get financial support from her close family. This of course is not ideal, and I imagine the situation caused her embarrassment as well as distress and inconvenience. Miss R says that not having access to her funds whilst abroad caused her to not enjoy her holiday. This is understandable.

### *Release of funds and delays*

Miss R says that she was advised by a solicitor not to complete the release of funds forms that were sent to her as early as late June 2022. Miss R says that it's not right that she should have done so before checking her balances. NatWest didn't send Miss R her statements until August 2022, a little over two months after they were requested. I think this is far too long. So I accept NatWest have caused delay here.

But when Miss R received her statements, she wrote in her cover letter that she was doing so without prejudice to her rights and to challenge the amount payable if it later transpires the balance released isn't correct. Given this, I do question why Miss R didn't complete the funds release forms as soon as she received them. NatWest released the funds the very next day after it received the forms in August 2022. So it's likely Miss R could have had her funds released in late June or July 2022.

In turn, this would have alleviated much of her anxiety and inconvenience. So, though NatWest caused significant delay in sending statements to Miss R, I'm persuaded that had Miss R completed the forms when they were sent to her, she would have had the funds much sooner. That means Miss R has significantly contributed to the delay she otherwise could've avoided.

So any award I make for distress and inconvenience here will need to be mitigated against this.

Miss R also says they didn't complete the release forms sooner as they were advised by a solicitor not to do so. I haven't seen anything to show she was given this advice, but ultimately it is her prerogative with what advice she chooses to act on.

### *Customer service and communication*

Miss R's representative says he has attempted to initiate meaningful dialogue with NatWest on more than 50 occasions through the medium of written correspondence, email, branch visits and telephone conversations. But he has been passed from department to department and not had any substantive explanation.

It's important to note that any award I make for poor customer service, communication, distress and inconvenience is for any heads of loss that Miss R likely suffered. She is the customer of NatWest for the accounts being complained about, and therefore constitutes the eligible customer here. That means any loss, inconvenience and distress her representative says he suffered isn't something I have the power to consider in my decision.

Having said that, I do accept that not getting a meaningful explanation for why NatWest was taking the action it was must be incredibly frustrating. Especially as she would have felt like she wasn't getting anywhere with the numerous NatWest staff members they were speaking to or corresponding with. But as I've said NatWest were not, and are not, under any obligation to disclose its reasons.

Lastly, Miss R's representative isn't happy NatWest needed authorisation from her to appoint him as her representative. They question whether NatWest was doing this to delay matters. Its common practice for financial businesses to want to see authorisation in this way to speak to a third-party – typically in durable medium. This ultimately stems from the various data protection legislation it must follow. So I'm satisfied NatWest were acting properly here.

Nor have I seen anything to suggest NatWest was maliciously or deliberately attempting to obstruct Miss R or her representative and cause delay.

### *Fair compensation*

Miss R feels that the compensation award recommended by our Investigator of £150 is paltry and therefore unacceptable. I've given this considerable thought given it's a point Miss R clearly feels strongly about.

NatWest should have given Miss R 60 days' notice of closure. There were delays with the statements being sent to her, but she could have reclaimed her funds much sooner had she completed the release forms as soon as they were sent to her – and equally, added in the proviso she did at that point. Miss R was also able to get other banking services relatively quickly.

Miss R was financially supported by her close family whilst on holiday, so she didn't suffer financial detriment. However I accept that she would have suffered embarrassment for having to accept money in this way, and some distress and inconvenience.

Miss R says that the matter has weighed heavily on her mental health enough that she has had to see a doctor about it. Our Investigator has asked Miss R and her representative to send in evidence of this, and anything that shows the impact she says NatWest's actions had. But other than testimony from her representative, nothing else has been sent in.

Ultimately, Miss R would however have suffered distress and inconvenience had NatWest done what it should have, that is, given her 60 days' notice. So I can't make an award for the full extent of what she has suffered.

So after weighing everything up and given the parameters under which I think compensation should be awarded for embarrassment, distress and inconvenience as above, I'm persuaded that £150 is a fair award.

### *Other points*

Miss R wants NatWest to arrange a face-to-face meeting with management members and its customer care department to discuss the issues outlined in her complaint. I'm not persuaded that compelling it to do so is a fair or reasonable outcome to this complaint. Miss R has had her complaint responded to by NatWest and then she referred it to this service. So I think she has had the matter looked into appropriately.

I'd also add that this verges on a complaint about how her complaint has been handled. This isn't an activity this service has the power to look into.

Miss R says that one of her accounts which remained under the control of her representative wasn't 'taken down' until much later in July 2022. So she questions whether the original funds release process would have covered this. But I think this point is moot given she didn't send the forms until much later – and those funds were released. So I don't think I need to think about any detriment or loss here.

There could be a myriad of reasons for this too which could include it being viewable due to the account being in control of the representative or the funds not being moved to a central NatWest account. None of which add further detriment for which I need to make a further award.

Miss R also complains that she was sent text messages and generic emails that her statements were available online when she had no access. I agree this is unhelpful and probably created some distress. So I've considered it in the award I've made.

Lastly, Miss R would like NatWest to send her a formal apology. NatWest has already apologised for and distress and inconvenience it may have caused her. And I have found that it has done some things wrong. I'm not persuaded that such a letter will help put Miss R back in a better position. I leave it to NatWest to decide whether it wants to send such a letter but note it has maintained its position that it hasn't done anything wrong.

### **My final decision**

For the reasons above, I uphold this complaint in part. National Westminster Bank Plc must now pay Miss R £150 compensation for the distress and inconvenience its caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 28 November 2023.

Ketan Nagla  
**Ombudsman**