

## The complaint

Mrs A complains National Westminster Bank Plc (“NatWest”) restricted her account and didn’t let her withdraw £10,000 cash she needed to travel abroad for a family wedding. Mrs A also complains NatWest’s staff member was rude to her.

To put things right, Mrs A wants NatWest to pay her compensation for missing the family wedding, the significant distress and inconvenience caused, an explanation for NatWest’s actions and compensation for penalties incurred for having to change her flights; and compensation for having to borrow money from friends and family.

## What happened

In February 2022 NatWest blocked Mrs A’s account. Mrs A was attempting to organise the withdrawal of £10,000 cash from a branch but was unable to do so. Unhappy with its actions Mrs A complained.

NatWest explained the terms of the account allows it to block an account if it has reasonable grounds to do so. And it is unable to provide any further information about this. It also apologised that she wasn’t put through to a manager when speaking to one of its employees – and that feedback would be given.

In a separate response, NatWest offered to credit Mrs A’s account with £30 compensation as an apology for the poor service she received after speaking to one of its employees. Unhappy with NatWest’s response, Mrs A referred her complaint to this service.

One of our Investigator’s looked into Mrs A’s complaint, and they upheld it in part. In summary, they found:

- NatWest were entitled to review and restrict Mrs A’s account on 1 February 2022, so it can’t be held responsible for her having to reschedule her flight
- NatWest correctly applied the terms of the account when closing Mrs A’s account by giving her 60 days’ notice
- NatWest is under no obligation to explain its reasons for the review and closure of the account
- The closure letter was posted to Mrs A’s address on 19 May 2022. She says she was abroad on 22 May 2022. So it’s possible Mrs A was abroad when it was received, but that is not NatWest’s fault
- NatWest hasn’t provided enough information to show the restrictions it also applied between 6 and 18 May 2022 were fair. Because of this Mrs A should been compensated for any stress and anxiety caused, and for being deprived of the funds
- NatWest are not responsible for any other losses Mrs A has claimed as it was her decision to change the flights and it was entitled to review the account

- As NatWest hasn't shown reason enough for the restriction placed between 6 and 8 May 2022, it should pay Mrs A 8% simple interest on the funds in the account during this period and pay £100 compensation for any trouble and upset caused

NatWest agreed with what our Investigator said. Mrs A did not. Our Investigator explained that Mrs A had the opportunity to fly to her family wedding on or after 17 February 2022 as the blocks were lifted, but she opted not to.

Mrs A argued that the compensation recommended isn't proportionate to the financial difficulties and distress she suffered. Mrs A had also made a complaint point about a joint account she has with her daughter. But as our Investigator explained, that will not be considered as part of this complaint.

As Mrs A didn't agree with what our Investigator said, her 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'll explain why.

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.

From the limited information NatWest have give me, I can see that it restricted Mrs A's account between (1) 1 February until 10 February 2022; and (2) from 6 May 2022 until 18 May 2022; and then from (3) July 2022 onwards.

NatWest hasn't given me all the information I'd expect, but having carefully considered the information I do have, I'm satisfied it had reason enough to restrict Mrs A's account in February 2022. I also note any restrictions imposed from July 2022 onwards related to the account being closed. But I haven't been given any information for why NatWest decided to restrict the account in May 2022 for 12 days. Because of that I can't say it acted in line with its obligations nor acted properly.

So that means Mrs A was deprived unfairly of access to her funds during May 2022, and NatWest should compensate her for this and for any distress and inconvenience she suffered as a result.

A bank is entitled to close an account just as a customer may close an account with a bank. But before a bank 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 the account, which NatWest and Mrs A had to comply with, say that it could close the account by giving them at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by NatWest, I'm satisfied it was entitled to close the account in the way that it has done – that is by giving at least two months' notice.

I've seen the letter dated 19 May 2022 that NatWest say it sent to Mrs A about the closure of

the account. It's possible Mrs A didn't receive this in time before she travelled abroad – but I haven't seen any compelling reason why she wouldn't have received it at her registered address.

Mrs A says that she has suffered significant financial loss and substantive distress and inconvenience. But apart from the 12-day block in May 2022, as I've said, I'm persuaded that NatWest hasn't done anything wrong. So any compensation I award will only be for this period.

Mrs A has also said that she was unable to travel to a family wedding. But the invitation copy she has sent me for this is dated 7 March 2022. So given the dates of the restrictions which I've set out above, I think she could have still travelled to the wedding. So I don't think NatWest need to compensate her for any fees related to rearranging her flight.

I acknowledge that the block in May 2022 would have caused her distress and inconvenience and having to borrow from friends and family would cause embarrassment. Having given this some thought, I'm satisfied that £100 is fair compensation for this.

Lastly, and for the sake of completeness, I note Mrs A complained about the customer service she received from NatWest. Principally, that she was spoken to rudely by one of its agents. I've listened to some of the calls NatWest have given me, and I don't think that this happened on those calls. In any event, I note NatWest have offered Mrs A £30 for this – I don't think it needs to do anymore.

### **Putting things right**

To put things right, NatWest should:

- Pay Mrs A 8% simple interest on her account balance between 6 and 18 May 2022\*
- Pay Mrs A £100 compensation for the distress and inconvenience she has suffered in May 2022

\* If NatWest considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs A how much it's taken off. It should also give Mrs A a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons above, I uphold this complaint in part. National Westminster Bank Plc should now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 29 September 2023.

Ketan Nagla  
**Ombudsman**