

The complaint

Miss N complains that National Westminster Bank Plc closed her bank account with it and did not give her enough time to make alternative banking arrangements.

What happened

Miss N had held an account with NatWest for many years – since she was a child. On 5 April 2023, however, it wrote to her to say that it had taken the decision to close the account. It told Miss N that she had 60 days – that is, until 4 June 2023 – to make alternative arrangements. It did not tell her why it had taken the decision to close the account.

The account remained open until August 2023, although it could not be used after 4 June 2023. Miss N was sent a cheque representing the funds in the account at the end of September 2023.

Miss N complained about what had happened. She was unhappy that her account had been closed, that she had not been told why, and that she had not been given enough time to make alternative arrangements.

One of our investigators considered what had happened, but did not recommend that the complaint be upheld. She explained that banks can generally close accounts without giving reasons and that she thought NatWest had given sufficient notice in Miss N's case. Miss N did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

It is generally for banks to decide whether to provide, or to continue to provide, banking services to its customers and potential customers. As long as a bank's decisions in such matters are legitimately exercised, the Financial Ombudsman Service won't generally intervene.

I am satisfied that NatWest's decision to close Miss N's account in this case was one that it was entitled to take and that it took that decision for legitimate reasons.

I have considered too the way in which the bank closed Miss N's account. The account terms allowed the bank to close an account with immediate effect in some circumstances. They also gave it a general power to close an account on giving at least 60 days' notice. That is what NatWest did here. And banks do not always have to tell customers their reasons for closing an account.

Banks should give reasonable notice before closing an account, and in most cases 60 days is reasonable. It is sufficient for most personal customers to make alternative arrangements. I am not aware of any reason why Miss N would have needed longer than that. She has

noted that, taking into account weekends and bank holidays, she actually had rather less than 60 working days to switch accounts, but the 60 day period refers to calendar days, not working days.

Miss N has said too that she was unable to use the current account switching service, so had to transfer direct debits manually. The switching service is not however usually available where an account is under notice of closure. I appreciate that this will have made a transfer less convenient for Miss N, but I do not believe that NatWest acted unfairly in not allowing Miss N to use the service.

My final decision

For these reasons, my final decision is that I do not uphold Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 13 June 2024.

Mike Ingram
Ombudsman