

The complaint

Mr M complains he can't open a student account with National Westminster Bank Plc (NatWest).

What happened

Mr M is an EU student studying in the UK. In March 2023, he applied to open a current account with NatWest, using his university accommodation address.

NatWest declined to agree to the application as Mr M's student loan offer (used as proof of address) included his previous address – and so the two addresses were different. NatWest wouldn't accept Mr M's tenancy agreement which showed his university address.

Mr M complained. He said the decision wasn't fair. He needs an account to live and has a cheque to pay in. He said he has a right to an account.

NatWest said the account application failed their tests – as the two addresses were different. They needed to carry out proof of address checks to keep customers safe from fraud. They didn't uphold Mr M's complaint.

Mr M brought his complaint to us. Our investigator didn't uphold it. She said Mr M's application failed because his address couldn't be verified as part of NatWest's checks.

Mr M asked that an ombudsman looks at his complaint. He said he had an HMRC cheque to pay in, and his tenancy on his accommodation at the university included utilities – so why couldn't that be used as proof of address?

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.

Let me say at the outset that this service resolves individual disputes between customers and financial businesses. We don't take sides. And I've looked at all the evidence here in coming to a decision. We aren't the regulator of NatWest – that's the Financial Conduct Authority (FCA). So – we don't tell businesses to change their policies or practices. So – here, it's for NatWest to make its own commercial decisions as to how it runs its account opening.

All banks, including NatWest, must carry out proof of address checks – as part of their obligations to prevent fraud and financial crime. In this case, the address on Mr M's student loan offer wasn't the same as the address he put down on his application for a bank account. So - he failed NatWest's checks.

Mr M argues he is entitled to open an account – but I’m afraid to say that’s not the case. In this case, it’s for NatWest to take its own commercial decisions about Mr M’s account application, based on its own checks.

We asked Mr M if we could see his HMRC cheque and its attachment – and it does show his new student address. Looking at NatWest’s operating instructions, if he had shown this to NatWest, I think it’s possible it would’ve been accepted as proof of address. But – I can see he didn’t use this, which was unfortunate.

I asked Mr M if he had another UK bank account – to see what the impact was on him. He told us he has now opened an account with another bank and deposited the cheque in it. So while I accept the frustration that Mr M has felt during the application process with NatWest, the actual impact on him has been lessened.

In looking at Mr M’s complaint, we put it to NatWest that what happened must be a common occurrence with student accounts – and asked if they would consider agreeing to open an account for Mr M, based on his student lease. NatWest said they would consider it - if Mr M was to call their ‘account exceptions’ team – and we have that phone number. But as Mr M now has an account with another bank, I presume he won’t want to follow this up.

I know this was a frustrating episode for Mr M – but in summary, NatWest did follow their operating processes, and while I appreciate this will be disappointing for him, I don’t uphold his complaint.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 5 December 2023.

Martin Lord
Ombudsman