

The complaint

Miss R complains that National Westminster Bank Plc (NatWest) restricted her account and denied her access to her funds. She'd like to be compensated for the loss.

What happened

Miss R has appointed representatives for this case, but for ease of reading I'll only refer to Miss R.

In November 2022 NatWest carried out a review and restricted Miss R's access to her accounts. They did not explain their reasons. She was told she'd receive further information but didn't.

Miss R complained to NatWest. The bank replied to say that they were unable to enter into discussions about why her account was blocked but were satisfied with their decision to do so. They apologised for incorrectly telling her she'd receive further information, and for setting that expectation. But they reiterated they were not going to discuss the reasons for the block any further.

In February 2023 NatWest allowed her to access her current account, but her savings account with approximately £38,000 was still blocked.

Unhappy with this Miss R referred her complaint to our service. She said she was seriously ill and needed the money to pay essential bills. One of our investigators looked into it but was satisfied with the reasons NatWest gave for the account being under review. They said in the circumstances it wasn't unreasonable for NatWest to block the account to meet their legal and regulatory obligations. They didn't ask NatWest to do anything further.

Subsequent to this Miss R's account was unblocked, and NatWest have allowed her to access the funds in the account. But she remained unhappy with how NatWest had treated her. As no agreement could be reached the complaint has 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.

Firstly, I am very sorry to hear about Miss R's health. I appreciate that the circumstances of this complaint will have made life much more difficult for her, and I can sympathise with the difficulties she's faced. But based on the evidence available, I don't see that NatWest need to do anything further here. I'll explain why.

NatWest, like all banks and regulated financial firms in the UK, have legal and regulatory obligations to meet. Firms have no discretion over these obligations and can't pick and choose when to follow them. This can mean in some circumstances they have to stop providing banking services such as allowing access to accounts. There is provision made for that in the terms of Miss R's account.

In this case NatWest have supplied our service with some evidence around their decision to block Miss R's account. Although NatWest haven't been as candid and open with their submissions to our service as I'd expect.

Our rules allow us to treat evidence submitted as confidential if we consider it to be commercially sensitive – and in this case I'm satisfied this is evidence that should be treated as confidential. This means I can't share in detail the reasons with Miss R that NatWest blocked her account. But based on the information available to me, on balance I'm persuaded that it was reasonable for NatWest to block her accounts and was in line with their legal and regulatory obligations, and the terms of her account.

The current account was unblocked, although I note the bulk of her funds were held in the current account. But she could transact on the current account, if she needed to. Based on the information available to me, I'm satisfied this was reasonable.

I appreciate that Miss R would undoubtedly like to know more, but NatWest aren't under any specific obligation to discuss this any further with her. They have confirmed they do not wish to provide a reason to her, and that's a reasonable stance to take.

NatWest have accepted that they shouldn't have told Miss R she'd receive further information about the block, and they apologised for it. I consider that an appropriate response to resolve Miss R's complaint, so I'm not asking them to do anything further.

I've no doubt this has been a tremendous inconvenience to Miss R. At a time when she is particularly vulnerable and facing considerable difficulties, I can see how this block would be upsetting. But as I've explained I don't see that NatWest have done anything wrong by blocking her account. So, I can't reasonably ask them to compensate her for this. NatWest has now confirmed the funds are available for her to withdraw.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 11 August 2023.

Thom Bennett
Ombudsman