

The complaint

Mr C has complained that National Westminster Bank Plc (“NatWest”) charged him two monthly packaged account fees after his account was closed.

What happened

NatWest withdrew Mr C’s access to his account in August 2021 and the account was subsequently closed on 17 September 2021.

In its response to Mr C’s complaint, NatWest acknowledged that Mr C had access to the account during July 2021 (which is the period the first fee related to) but recognised that Mr C was denied access to his account from August (which is the period that the second fee relates to), so it agreed to refund one of the fees that had been applied to his account.

One of our adjudicators assessed the complaint and they thought that what NatWest had offered was reasonable.

I note that Mr C has mentioned other issues he’s had with NatWest. But as this complaint only relates to the two account fees that were applied to his account after he was denied access to it in August 2021, Mr C’s other concerns will need to be looked into separately (if he’s not referred a complaint about them already to either us or NatWest).

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.

We’ve explained our approach to complaints about packaged accounts on our website and I’ve used that to help me decide this complaint. And having considered everything, I think that what NatWest offered is fair. I will explain why.

Mr C was no longer able to access his account from 2 August 2021. I think all parties agree that Mr C should not have been charged any account fee’s covering any time from when he was no longer able to access the account or benefit from any of its features.

In this case, Mr C has asked that account fees that were taken from his account on 9 August 2021 and 9 September 2021 be refunded back to him. Whereas NatWest has agreed to only refund the fee taken on 9 September 2021.

I can see why Mr C would like both fees to be refunded to him. Afterall, they were both applied to his account after he could no longer access it. But I think what NatWest has offered is reasonable, essentially because of how NatWest’s account fee charging process operates.

To explain, NatWest has provided copies of its account terms and conditions. These explain that:

“The Monthly account fee will be taken from your account 21 days after the end of your charging period (or the next business day if this is a Saturday, Sunday or bank holiday).”

NatWest has also provided evidence of the specific charges applied to Mr C’s account. These show that a payment of £20 was taken from Mr C’s account on 9 August 2021, with

the description of "CHG TO 19 JUL...". Another payment of £20 was taken from Mr C's account on 9 September 2021, with the description of "CHG TO 19 AUG...".

Therefore, the fee that was taken from Mr C's account on 9 August 2021 in fact covered the period *up to* 19 July 2021, and not the period *from* 19 July 2021 as Mr C believes to be the case. This is consistent with how the account terms and conditions say the fees would be charged.

Mr C still had access to his account in this period. So I think it's reasonable that this fee was still deducted from Mr C's account, even though the delay in it being taken from Mr C's account meant it was deducted after he no longer had access to it.

However, the second fee that was applied to his account covered the period *up to* 19 August 2021. And Mr C no longer had access to his account part way through this period of time.

In such cases, I would usually recommend that a pro rata refund of the account fee (which I understand would've been approximately £11) be made covering the period of time that the account holder didn't have access to the account, plus 8% simple annual interest, less tax. But in this case NatWest has instead offered to refund the full fee of £20 back to Mr C. So in the circumstances I think what NatWest has offered to do to put matters right is reasonable.

Putting things right

To put matters right, NatWest should pay Mr C £20, in full and final settlement of this complaint.

My final decision

Because of the reasons given above, I uphold this complaint and require National Westminster Bank Plc to do what I have outlined above, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 November 2023.

Thomas White
Ombudsman