

The complaint

Mr M complains that National Westminster Bank Plc blocked his accounts without notice and wouldn't explain why. His bills went unpaid. He would like compensation and an explanation.

What happened

Mr M had accounts with NatWest. In August 2022 his accounts were blocked. Mr M didn't receive any notice of this.

Mr M complained to NatWest. They said they were entitled to block the account and relied on the terms and conditions of the accounts.

Mr M's accounts were eventually closed in 2023 and his funds were returned to him. Mr M has told us he raised a data subject access request (DSAR) with NatWest, and he has been having problems with this.

Mr M complained to our service. The main issue Mr M was concerned about was the block on his account. One of our investigators looked into the complaint. He thought NatWest had acted in accordance with their legal and regulatory obligations when they blocked the account.

Mr M was unhappy with the view he thought it couldn't be right that a bank block an account without a reason. He believes the bank didn't have a reason because they returned his funds after three weeks.

The investigator replied that the return of the funds in a period of three weeks wasn't an indication that the bank had done anything wrong in blocking Mr M's accounts, as the bank were entitled to review an account to comply with their legal and regulatory obligations.

Mr M said he was happy to answer questions that NatWest asked once the need for the questions was explained to him, but NatWest had never contacted him again.

As there was no agreement the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information NatWest has provided is information that we considered should be kept confidential.

I'll start by setting out some context for the review of Mr M's accounts. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These

obligations override all other obligations. I am satisfied NatWest were complying with these obligations when they reviewed Mr M's accounts.

Mr M has said that NatWest returned the funds to him so that suggests that they weren't entitled to review his accounts. But I disagree, the bank was always entitled to review the accounts in order to comply with their legal and regulatory obligations, so I don't think they have done anything wrong here.

As part of the review NatWest asked Mr M for more information. Mr M was unhappy to provide it and thought that the caller had been abrupt in the way the questions were asked. Mr M complained about this. I can see that Mr M spoke to the Complaints Team and the matter was resolved. The final response dated 13 June 2022 says that Mr M is happy to answer any questions that NatWest may be required to ask.

I appreciate that Mr M is concerned that no further call was made to him, and he wasn't asked any further questions although he was happy to answer, now the reasons behind the questions had been explained to him. I accept that Mr M has said to us and the bank that he is willing to answer any questions and he feels frustrated that the bank haven't contacted him to follow up.

Mr M thinks NatWest should have called him back and they didn't. There isn't a call recording of the phone conversation, but the letter of 13 June 2022 suggests that Mr M had been led to believe that a call would be made to him, and he would have a chance to answer any questions. I appreciate this failure to call made Mr M frustrated. He has said he believes that the way he was treated became a personal vendetta. I accept that NatWest should have called Mr M, but I have seen no evidence that suggests the failure to call was a result of any malice or vendetta on the part of NatWest.

I've gone on to consider if NatWest had called Mr M a second time would it have made a difference to what happened to his accounts. Having looked at the evidence I'm satisfied that it wouldn't. So, although NatWest should have called Mr M back, I don't think this failure to call him a second time adversely impacted the review, block and eventual closure of Mr M's accounts, so I won't be awarding compensation for this.

Mr M's account was blocked for about three weeks. I have looked at the evidence and I'm satisfied NatWest were entitled to block the account for that period and no delays occurred. So, I'm satisfied NatWest acted fairly when they blocked the account in August 2022. I appreciate Mr M would have wanted to be given notice of the block, but NatWest aren't obliged to give their customers notice so I can't say they have done anything wrong by blocking the account and not giving Mr M notice.

Mr M has mentioned that he has raised a DSAR with NatWest and he has had problems with having this dealt with. The investigator suggested Mr M should complain to the bank about their failure to respond. I suggest that if the DSAR isn't complied with Mr M could complain to the Information Commissioner Office (ICO) about the failure to comply with a DSAR.

In summary although I appreciate Mr M will be disappointed with my decision, I'm satisfied that NatWest acted fairly when they reviewed and blocked Mr M's accounts and I won't be asking them to do anything else.

My final decision

For the reasons mentioned above I don't 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 14 December 2023.

Esperanza Fuentes
Ombudsman