

The complaint

Mr A complains that National Westminster Bank Ltd unfairly closed his bank account.

Mr A is represented in this complaint by his mother, Mrs A. For ease I will refer to all submissions as if made directly by Mr A.

What happened

Mr A had an account with NatWest.

In May 2022, a payment of just under £1,900 was made into Mr A's account. Most of the money was immediately spent via card payments and a cash withdrawal. Following this, NatWest were contacted by another bank who reported that their customer had been the victim of scam and that the payment had been made fraudulently.

NatWest blocked Mr A's account and decided it needed to look into how Mr A was operating his account. Following its review, it decided to close Mr A's account and wrote to him on 15 June 2022 giving him 14 days' notice to make alternative banking arrangements. Mr A was upset and confused by the letter. And remembers that he had tried to show his mother something to do with his account, but before he could give her any more details Mr A's access to his bank account was removed.

Mr A complained to the bank and asked for an explanation for why it had closed his account. He pointed out that he had been a customer of the bank for a long time and that he was young. He said that since the account had been closed another bank account, he had had also been closed so he suspected that NatWest had placed a marker against his name, which had 'blacklisted' him from opening other accounts. NatWest looked into Mr A's complaint but said it hadn't done anything wrong when it had closed the account. NatWest also said that where an account had been closed for suspected fraudulent activity it may place markers against a customer, but on this occasion it hadn't done so.

Unhappy with this response Mr A brought his complaint to our service. He said that whatever happened with the account had nothing to do with him, and at the time he was a minor and confused by the bank's actions. He also said that NatWest discriminated against him due to his surname and treated him unfairly in taking the actions it did. He wants NatWest to apologise and confirm that he hasn't been blacklisted.

One of our adjudicator's looked into Mr A's complaint. He didn't think NatWest had done anything wrong when it had closed Mr A's account and explained that the bank didn't have to provide an explanation for why it no longer wanted Mr A as a customer. He also confirmed that NatWest hadn't recorded any external markers against Mr A's name. Mr A disagreed. He said he wants a proper explanation for why the bank closed his account and maintains that NatWest has treated him unfairly.

As no agreement could be reached the complaint came to me to decide. Prior to issuing my decision I asked the investigator to get some more information from Mr A about how he was

using his account. In particular I asked what he knew about the fraudulent funds that were paid into his account, whether he had given/shared his bank card, PIN, and online banking details with anyone else. Mr A responded and said:

- That the funds had mysteriously appeared in his account, and he had raised this with Mrs A. But as he was completing his exams it wasn't taken much further as it was a busy time.
- Mr A hadn't shared/given his bank card or PIN to anyone else.
- He hadn't reported the bank card as lost or stolen. Although he can no longer find the card. But it has been a while since the account closed
- His account appears to have been compromised by fraudsters

On 10 May 2023, I issued a provisional decision in which I said the following:

Mr A says NatWest shouldn't have closed his account. In his complaint form, which was submitted online to this service, Mr A said that whatever happened with his account had nothing to do with him. And more recently has suggested that his account had been compromised by fraudsters. So, I need to consider whether NatWest have treated Mr A fairly and reasonably when it closed his account. Having looked at all the information provided I'm currently minded to say that they have. I say this because:

- *I've seen evidence from NatWest showing that another bank notified them that Mr A received a fraudulent payment into his account in May 2022. The payment was for a total of just under £1,900 and was paid into Mr A's account via bank transfer. At the time the balance of Mr A's account was just over £12.00 and up until this point had been mainly funded by transfers from Mrs A and maintained a balance of less than £100.00. So, this payment was out of character for the usual activity on the account.*
- *NatWest has provided evidence to show that the money was spent immediately via several card payments and a cash withdrawal for £250. All of the transactions were carried out using Mr A's bank card and PIN.*
- *Mr A has confirmed that he hadn't lost his bank card or reported it stolen at the time. He's also said that he hadn't shared his PIN with anyone else. So, there's no plausible explanation for how an unknown third party would be able to gain possession of Mr A's bank card and PIN. And then carry out the transactions. I think it's extremely unlikely that a fraudster would take Mr A's card, guess his PIN correctly, spend on the card, then return the card to Mr A, without him being alerted. So, I think it's more likely than not that either Mr A was responsible for spending the fraudulent funds or allowed someone else to use his account and bank card to access the funds.*
- *Mr A has said that the fraudulent funds mysteriously appeared in his account. But Mr A hasn't been able to offer any explanation for how the fraudster was able to obtain his bank account details, which were needed to pay in the fraudulent funds. I think it's unlikely that an unknown third party without any connection to Mr A would've been able to do this. I also think it's most unlikely that an unknown third party would pay funds into Mr A's account unless they were confident that they would be able to withdraw the money or transfer the funds to another account from which they could withdraw it. So, taken together this all suggests to me that Mr A knows rather more about the fraudulent activity on his account than he's been prepared to tell us or his mother.*
- *If Mr A had been the unwitting beneficiary of fraudulent funds, as he has suggested, I*

would've expected him to alert NatWest at the time in order that his account could be safeguarded against fraud. But I haven't seen that he did so.

- I've considered what Mr A has said about his age at the time and that he was a minor. But Mr A hasn't described being placed under any duress or being especially vulnerable. In my view I think it's most likely he allowed his NatWest account to be used for receiving fraudulent funds.

The adjudicator has already confirmed that NatWest have not placed any external markers against Mr A's name. I know Mr A has said he has had another account closed, but I can't comment on the actions of another bank.

I've next looked at NatWest's decision to close Mr A's account. Banks are entitled to end their business relationship with a customer, as long as it's done fairly and is in line with the terms and conditions of the account. The terms and conditions of Mr A's account say that NatWest can close an account in certain circumstances immediately and with notice. NatWest wrote to Mr A and gave him 14 days' notice that it intended to close his account. Given the concerns NatWest had about how Mr A was operating his account, I don't think that's unreasonable. So, it was entitled to close the account as it's already done, and I can't say NatWest has treated Mr A unfairly.

I understand that Mr A wants NatWest to explain the reason it closed his account. And I can see that Mr A asked NatWest to explain itself on several occasions. But NatWest is under no obligation to tell Mr A the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr A this information. And it wouldn't be appropriate for me to require it to do so. Having said that, from looking at the final response letter NatWest sent to Mr A, it states that the account had been closed due to suspected fraudulent activity. So, I think it's likely Mr A had some idea of the basis for the bank's actions.

Finally, Mr A has said that he feels NatWest discriminated against him on the basis of his surname when they closed his account. While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr A has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that this was the case. So, I haven't found that NatWest decided to close the account for an improper reason.

In summary, it's clearly caused Mr A trouble and upset when NatWest closed his account. And I appreciate it must have been a worrying time for him. So, I realise he will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't say NatWest has treated Mr A unfairly when it decided to close his account.

NatWest accepted my provisional decision. Mr A didn't. In summary he said:

- He wasn't provided an explanation from NatWest about why his account was closed and the bank treated him unfairly when it closed his account
- NatWest never contacted him about the activity on his account – he doesn't remember receiving any text message from NatWest
- He can be careless with his bank card but doesn't think he lost it. Had he been contacted by NatWest he could have looked into what was happening with his account and offered an explanation. But he wasn't given a chance to do this because

- NatWest removed his access to the banking app, and closed his account
- He hasn't acted fraudulently and was busy completing his exams

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

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.

In response to the provisional decision, Mr A has highlighted a number of concerns, which I'll now address below.

I know Mr A wants to be provided with a detailed explanation for why NatWest closed his account. I'm afraid there is little that I can add to what I've already said in my provisional decision. NatWest isn't obliged to provide Mr A with an explanation as much as he'd like to know. So I can't say it has treated Mr A unfairly by not giving him this information.

NatWest closed Mr A's account by providing him 14 days' notice, to find alternative banking facilities. Having read NatWest terms and conditions for its personal account customers, this is in line with what it has set out and what Mr A agreed to when opening the account. NatWest had received information from another bank that gave it reason to believe the account was at risk – it was being used for fraudulent purposes. So, I think it was fair that it mitigated that risk by closing the account. I also think it fair that it provided Mr A 14 days' notice despite its terms and conditions setting out that it could close the account immediately.

Mr A has reiterated that he wasn't given an opportunity to explain the activity on his account. And that before he could do anything the bank took away the access to his banking app and had decided to close his account. But I can see from looking at bank records that the bank did send Mr A text message asking him to get in touch about the activity on his account. NatWest say Mr A didn't respond. I've asked Mr A about this, but he's said he can't recall any text messages from the bank. He's also said at the time he was busy with his exams', and he was quite confused about why the bank had closed his account. That maybe so, but I'm satisfied that NatWest did give Mr A an opportunity to speak to them before his account was closed.

In summary, I appreciate that Mr A will be disappointed by my decision, but I see no reason to depart from my provisional findings. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 August 2023.

Sharon Kerrison
Ombudsman