

The complaint

Mr P complains that National Westminster Bank Plc didn't fairly process his application for a current account.

What happened

In December 2022, Mr P applied to NatWest for a current account.

As part of the application process, Mr P was required to provide identification. NatWest uses a third-party system to assist with this requirement, verifying identity documents electronically, to be more efficient.

When Mr P applied, however, his identity couldn't be verified. Mr P didn't believe that was fair, he thought he'd provided documentation which should be accepted and was unhappy that it hadn't been. So, he complained.

NatWest sent Mr P its final response letter on 11 January 2023. In it, the bank said that Mr P hadn't provided documents which met its criteria. NatWest also confirmed that Mr P's application had been cancelled, but it did acknowledge that Mr P had since decided not to pursue the application in any case.

Mr P remained unhappy, so he contacted our service for an independent review. He said that he'd provided everything NatWest should've needed to verify his identity. Specifically, he was unhappy that the bank didn't accept a Share Code. That's something issued by the UK Government as a means of viewing or proving an individual's immigration status.

An investigator here looked at what had happened and, all things considered, he didn't think NatWest had done anything wrong. He said, in summary, that NatWest had the right to determine its own criteria and processes to help it meet its regulatory obligations. So, while he noted Mr P's disappointment – and that Mr P had ultimately been successful in applying for a bank account elsewhere with the same documentation he'd given NatWest – the investigator didn't find that the bank had acted unreasonably.

Mr P disagreed. He said that he found NatWest's approach here to be, potentially, discriminatory to him and others. Moreover, he also explained that he'd visited a branch to try and resolve the situation – providing his documents in person – but nothing had happened. Mr P asked for an ombudsman's decision.

As no agreement has been 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.

Having done so, while I know that what I say here will be disappointing for Mr P, I don't think that NatWest acted unreasonably or unfairly in its assessment of his current account

application.

First, though, before I explain my reasoning, I think it's important to clarify that our Service isn't here to "police" a business. That's the job of the industry regulator, the Financial Conduct Authority (FCA). So, while I'm aware of just how unhappy Mr P is with NatWest's process, I must be clear that we have no power to tell a financial business how to operate – or indeed to change its processes and procedures.

I do understand Mr P's frustration that his identity couldn't be verified, I'm also sorry to hear that he feels NatWest's verification process could be discriminatory. I should let Mr P know here, with that final point in mind, that our Service is unable to make findings on whether or not something constitutes discrimination as per the Equality Act 2010. That's because we are an informal, free alternative to the Courts. Only a court of law can make a legal finding based on the definitions set out within the act.

What I can consider is whether a business has acted in a fair and reasonable manner. So, that's what I've looked at here. I've taken a number of things – including the Equality Act 2010 – into consideration when reviewing what happened.

To begin with, I've looked at what NatWest has said about identity verification when opening accounts. It's explained that it uses a third-party system, which I'll refer to as "H", to help complete this task more efficiently. There's nothing inherently wrong with that, NatWest has the right to determine its own methods for opening accounts and to ensure that it meets its legal and regulatory obligations. So, if NatWest wishes to use H as a method of identity verification then that's a legitimate commercial decision it's entitled to make.

I've looked at what Mr P says he uploaded to H, that being his passport and a council tax invoice, against NatWest's apparent requirements to satisfy its account opening process. From what he's said, it doesn't look as though Mr P provided a residence permit – or, at least, something which H could verify as one – and it appears that's likely where the problem was.

I certainly understand why Mr P feels he shouldn't have needed to provide a permit given he has a Share Code, which is something he tried to pass to the bank. And I recognise his point of view, particularly given he was able to open an account elsewhere with exactly the same credentials, that he'd been unfairly disadvantaged because he submitted a Share Code. But while I won't make comment on the workings of H's system itself – it remains that NatWest is entitled to determine for itself how to satisfy its requirements, and obligations, for identity verification. That includes setting parameters around what it's willing to accept.

Most importantly, I've not seen anything which suggests that NatWest treated Mr P differently to any other customer whose identity would need to be verified. And although I appreciate how Mr P doesn't agree with the bank's approach here, from what I've seen, NatWest reviewed his application in just the same way as any other.

With all of that in mind, while I recognise this will be disappointing for him, I can't fairly say that NatWest acted unreasonably when it didn't process Mr P's current account application, given the documentation he provided didn't satisfy its requirements.

Aside from the above, I've also seen some conflicting information about a branch visit that Mr P says he made. On one hand, Mr P says he visited a specific branch of NatWest and provided staff there with his documents. He says that his paperwork was then copied and sent to the relevant department internally. On the other hand, the branch in question provided a statement which says it has no record at all of Mr P's visit.

I asked NatWest to check again to see if it had any record of the documents, or Mr P's visit, but it still maintains that it doesn't. That's quite unusual because, generally, I'd expect there to be some record – particularly when personal data is involved – which indicates what might have happened. Here, though, it seems there's no such evidence.

Mr P is, quite understandably, concerned about his personal data in light of the branch's statement. NatWest's final response, though, doesn't really address the matter at all. Instead, it seems that Mr P's concerns over the whereabouts of his personal information have developed following receipt of the final response about his current account application, and during his contact with our Service.

Mr P could raise the matter as a separate issue with NatWest should he wish to do so. Our Service can, in certain circumstances, investigate such matters. But I should point out here that, in terms of data protection regulation, it isn't for our Service to determine if a breach has occurred. Instead, that's a matter for a court or the Information Commissioner's Office (ICO) to decide.

In closing – returning to the crux of the matter – while I am sorry to disappoint Mr P, I can't fairly conclude that NatWest treated his current account application differently. So, it follows that I don't require the bank to take any further action.

My final decision

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 P to accept or reject my decision before 14 September 2023.

Simon Louth
Ombudsman