

The complaint

Miss B complains that National Westminster Bank Plc (“NatWest”) irresponsibly provided her with an overdraft and that the interest and charges put her in financial difficulty. Miss B is also unhappy NatWest closed her account.

What happened

Miss B was approved for a £160 overdraft in March 2014. Miss B raised a complaint over the phone on 28 February 2017 in relation to the overdraft charges applied to her account. NatWest didn’t uphold Miss B’s complaint as it said the charges were applied correctly in line with the terms and conditions of use, but as a gesture of goodwill it refunded and waived £150 worth of charges. NatWest issued a summary resolution communication for this complaint by email on 1 March 2017.

On 19 June 2020 NatWest issued Miss B with a notice of intent to close her account and gave her 60 days to make alternative banking arrangements. Miss B last used her account on 17 August 2020, but two further credits were made to her account, £20 on 15 October 2020 and £33 on 6 August 2021. Following this Miss B had an outstanding overdraft balance of £85.47. Due to the outstanding overdraft debt on the account the account wasn’t closed until NatWest took the decision to write off the remaining debt on 16 August 2022 and reported this on Miss B’s credit file.

Miss B complained to NatWest about this in May 2023. NatWest didn’t uphold Miss B’s complaint. It says the account was closed in line with the terms and conditions of the account and that it wasn’t obliged to give a reason for closing her account. NatWest was not willing to pass Miss B the credits received into the account as there was a balance outstanding.

Miss B was dis-satisfied with this and brought her complaint to this service. One of our adjudicators investigated Miss B’s concerns and reached the conclusion that we couldn’t look at the element of her complaint that related to the overdraft lending and charges as NatWest had already issued a final response to her regarding this in 2017 and Miss B failed to bring her complaint to us within six months of this.

And they didn’t think NatWest had done anything wrong in closing Miss B’s account as the correct notice was provided and NatWest is under no obligation to continue offering an account to a customer if it doesn’t want to.

Miss B disagreed and has asked for an ombudsman’s decision.

Why I can only look at part of Miss B’s complaint

I can’t look at all the complaints referred to me. The rules applying to this service say that – where a business doesn’t agree – I can’t look into a complaint if it’s been referred to us more than six months after the business sends the consumer its final response letter, telling them they can refer their complaint to us. This is Dispute Resolution rule 2.8.2R(1) – and it can be

found online in the Financial Conduct Authority's handbook. And in this case NatWest doesn't agree we can look at Miss B's complaint regarding the overdraft lending and charges applied to her account.

Miss B first raised a complaint over the phone about overdraft lending and charges on 28 February 2017. This complaint was resolved during the telephone call and a summary resolution communication was issued by email on 1 March 2017.

Within this email NatWest confirms that Miss B has accepted the resolution and understands how the outcome was reached. And I'm satisfied it fits the meaning for a final response as defined in the DISP rules - including the referral rights setting out the six month time limit. This means Miss B had until 1 September 2017 to refer the matter to the service. But she didn't do so until May 2023.

So I conclude this element of Miss B's complaint was referred to us out of time under the rules that I have to apply.

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.

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Having considered everything provided, I've decided to not uphold Miss B's complaint.

My role is to look at the problems Miss B has experienced and see if NatWest has done anything wrong. If it has, I would seek – if possible - to put Miss B back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

NatWest's terms and conditions say that it can close an account immediately where certain conditions arise and it is not obliged to provide a reason. In Miss B's case NatWest gave her 60 days' notice on 19 June 2020 of its intention to close her account and confirmed that all banking facilities would be withdrawn. Miss B stopped using her account prior to the account being closed and within the 60 day notice period.

I appreciate the inconvenience the closure of Miss B's account has caused her but who NatWest decides to provide its banking services to is a commercial decision and it isn't something for me to get involved with. So providing NatWest provided her with sufficient notice – in this case 60 days' – I can't say NatWest made a mistake.

Ultimately, NatWest took the decision to close Miss B's account – which it was entitled to do. And I'm not persuaded that the 60 days' notice Miss B was given wasn't sufficient and that she should be compensated for that.

Miss B is also unhappy that the credits received into her account amounting to £53 were used to reduce her overdraft balance and the outstanding debt she owed NatWest. But I think it is perfectly fair and reasonable for NatWest to use this money to reduce Miss B's debt to it. Miss B had the use of the overdraft funds and failed to pay it back and I don't think it would be fair to ask NatWest to refund these sums when she owes it money.

Miss B is also unhappy about what NatWest has reported on her credit file. But NatWest does have a duty to make sure the information it reports on its customers affairs to the credit

reference agencies it subscribes to is factually accurate. So again, I can't say that NatWest has done anything wrong.

So overall and having considered everything, I do not uphold Miss B's complaint as NatWest has not made any mistakes and I don't think it has treated Miss B unfairly.

My final decision

For the reasons I've explained I've decided not to uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 18 August 2023.

Caroline Davies
Ombudsman