

The complaint

Mr C complains that National Westminster Bank Plc closed his account without a reason. He wants substantial compensation.

What happened

Mr C had accounts with NatWest.

Following a review of his account NatWest decided to close his account. They sent Mr C a letter dated 11 May 2023 and gave Mr C 60 days' notice. During that time Mr C had access to his account.

Mr C was unhappy, he asked for the reason why his account was being closed.

Mr C says that being without an account caused him a lot of stress and he has found it difficult to provide for his family and to open other accounts.

NatWest replied to Mr C's complaint they said they had complied with the terms when they gave Mr C 60 days' notice.

Mr C complained to our service. One of the investigators looked into the complaint. He said NatWest had acted fairly when they reviewed and closed Mr C's account and they didn't need to give Mr C specific reasons why they were closing the account. NatWest confirmed that no adverse markers had been applied against Mr C.

Mr C was unhappy with the view. He said not being able to open an account with another high street bank had greatly impacted himself and his family. He said he had been treated unfairly by NatWest. He thought this service had favoured the bank in its assessment of his complaint. He thought he should get compensation of £15,000 from NatWest.

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'll start by setting out some context for the review of Mr C'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 C's accounts.

Financial businesses, like NatWest, are subject to a number of legal and regulatory requirements. These mean they have to monitor their customers' accounts and may need to review an account at any time.

Following their review NatWest made the decision to close Mr C's accounts. They wrote to him and gave him 60 days' notice.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

Banks should, however, give reasonable notice before closing an account. Usually that means 60 days' notice, but it can be less depending on the circumstances. I can see that NatWest wrote to Mr C on 11 May 2021 and let him know it was closing his account giving him 60 days' notice. So, I'm satisfied NatWest closed the accounts in line with the account terms.

NatWest has provided information to this service in confidence. 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 have nevertheless considered this information whilst assessing if NatWest acted fairly when it closed Mr C's accounts. Having done so I'm satisfied that it has. So, it was entitled to close the account as it's already done, and I can't say NatWest has treated Mr C unfairly.

Mr C has mentioned that he hasn't been given a reason for the closure of his accounts. Mr C has said he wants to know the reasons why NatWest closed his accounts. Whilst Mr C may have expected to be given the reasons for the account closures. NatWest isn't required to give him a specific reason. And I can understand Mr C's frustration that he hasn't been provided a detailed explanation. But as the investigator has explained, NatWest is under no obligation to provide this information to him, as much as he'd like to know. So, I can't say NatWest have done anything wrong by not giving Mr C this information.

Mr C says he has been having trouble opening another account. And he has provided evidence to show this. I am very sorry about this. I know Mr C has a family he needs to provide for, and this situation is worrying for him. I have checked and I'm satisfied that Nationwide haven't loaded a marker against his name. So, I wanted to reassure Mr C that any issues he is having with opening an account aren't related to any markers applied by NatWest.

Mr C has said we have sided with the bank in our assessment of his complaint. – with the implication being that the bank is influencing our conclusions inappropriately. Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. That is what we have done in this complaint.

Mr C has asked for substantial compensation for the way he has been treated. Mr C has provided this service with information as to the impact the closure is having on him and his ability to look after his family. I am very sorry that Mr C has been so badly affected by this closure. In order for this service to award compensation to a customer, the bank must have made an error or treated a customer unfairly. I have reviewed all the evidence and I can't see that NatWest have made an error or acted unfairly when they decided to close his account. It follows that I cannot ask NatWest to pay compensation to Mr C even though I am aware that the decision to close his account has had a substantial impact on him.

I appreciate that Mr C will be disappointed with my decision but having looked at the evidence I can't say that NatWest have acted unfairly when they closed Mr C's accounts.

My final decision

For the reasons sated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 September 2023.

Esperanza Fuentes
Ombudsman