

## The complaint

Mr B complains that Northern Bank Limited trading as Danske Bank ('Danske') unfairly closed his bank account.

## What happened

Mr B had a current account provided by Danske.

In April and May 2023 Danske corresponded with Mr B about him providing proof of property in order to keep his account open. Mr B provided information to Danske.

In June 2023 Danske emailed Mr B saying it was reviewing accounts and had noticed it was missing information about Mr B's residency. It asked him where he was currently residing on a full-time basis. Mr B replied that he was currently working overseas but still had an address in the UK. He provided the overseas and UK addresses.

On 20 June 2023 Danske emailed Mr B saying he no longer had a justified reason to hold an account with Danske and Danske had made the commercial decision to stop providing him with an account. It said it was giving him two months' notice and would end its relationship with him on 20 August 2023.

On 26 June 2023 Mr B asked Danske why it was closing his account. He said he'd uploaded the deeds to his house. Danske replied the same day saying Mr B no longer had a valid reason to hold the account. It said the account had no valid source of UK funds such as benefits or wages, and it solely received transfers from another account. It also said Mr B wasn't residing in the UK and the country he was in was '*classed as a prohibited country*'.

Mr B asked who made the decision, how a retired person would have a valid source of funds, and why the country he was in was prohibited. Danske said the decision was a commercial one by the bank, a retired person could receive state pension, and the country Mr B was in was on the list of the Financial Action Task Force.

Mr B sent further emails challenging Danske's decision, and Danske reiterated its reasons and said Mr B's account would be closed on the date given.

Mr B also made a formal complaint to Danske. In summary Danske said the following in response to the complaint:

- The account's terms and conditions allowed Danske to close a customer's account if it provided at least two months' notice.
- Following a review of Mr B's account Danske had made a commercial decision to stop providing banking services to him.
- Danske didn't make such decisions lightly and wouldn't be overturning its decision about Mr B's account.

Mr B referred his complaint to this service. One of our Investigators looked into the complaint. In summary, the Investigator said a bank could choose who to have as a customer, just as a customer could choose which bank to use. A bank didn't have to give the customer a reason if it closed the customer's account, but it had to act in line with the terms and conditions. And in this case the Investigator thought Danske had acted in line with the terms and conditions when it closed Mr B's account.

Mr B didn't agree with the Investigator's view. In summary he said Danske had told him the account was closed for a commercial reason, not because Mr B was working abroad. And Mr B wanted to know what the commercial reason was.

The Investigator said Danske wasn't obligated to provide a reason and this service couldn't compel it to do so. But he saw that Danske had shared some of the reasoning behind closing Mr B's account. The Investigator said this service expects business to share their reasons with us in full, so we can be satisfied that a decision to close an account is fair. But such decisions may be commercially sensitive and so this service won't share them with a customer.

Mr B said he still wanted to know the reasons behind Danske saying it had made a commercial decision. He also said Danske had told him initially that he didn't have funds coming from a UK source, and he had pointed out that 90% of his funds were from a UK source. Mr B also said he gave permission for Danske to release sensitive information to this service. Mr B said he understood Danske could close his account without reason, but there was '*a level of service*' about how that should be done.

Because no agreement could be reached, the complaint was passed to me to review afresh and make a 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.

Having done so, I'm not upholding the complaint, for essentially the same reasons as our Investigator. I'll explain why.

Danske pointed out that its terms and conditions allowed it to close Mr B's account at any time as long as it gave him at least two months' notice. Mr B hasn't disputed this. But he's said Danske should still act fairly towards him.

I agree that in applying the terms and conditions of an account, a business should act fairly towards a customer. Having considered all the evidence in this case, I can't say Danske has treated Mr B unfairly.

Danske gave Mr B the two months' notice required by the terms and conditions. And I think that's enough time for Mr B to have made alternative arrangements for any banking services he required.

Danske also gave Mr B reasons for its decision, although, as our Investigator said, it wasn't under any formal obligation to do that. But Mr B was dissatisfied with the reasons Danske gave him.

In particular Mr B said Danske's reason didn't appear to be that he was working overseas – the reason appeared to be a '*commercial decision*' but Danske hadn't explained the

commercial decision. Mr B said that if, for example, the reason was that his account wasn't active enough, then he wanted to know that.

I think that when Danske referred to a commercial decision it's likely simply to have meant a decision it made about how to run its business. Part of that includes who it will do business with and which countries it wants to take customers from. So I don't think the reference to a '*commercial decision*' by Danske meant that the considerations Danske had had mentioned – about Mr B residing overseas and not receiving UK income in his account – were irrelevant to Danske's decision. I think those considerations were part of Danske's commercial decision.

Mr B challenged Danske's assertion that his funds weren't from a valid UK source. He said they were from a UK source. But Danske indicated that a valid UK source for its purposes would be, for example, wages or benefits, not transfers from another account. Mr B hasn't said he had any such source for funds going into his account. In any case, this is a decision I think it's reasonable for Danske to make as part of its commercial strategy. As I've said, Danske's commercial decisions include decisions about what business to accept. Danske considered Mr B's situation and said it didn't see that he had a commercial need for the account and that it had decided not to provide banking facilities to him given his circumstances, which included the country he was residing in and the use he had for the account. I can't say it's unfair for Danske to make that decision.

Mr B said he'd consent to Danske releasing sensitive information relating to his complaint. But the sensitive information our Investigator mentioned referred to Danske's commercial decision, not to Mr B's personal data. So we can't release that information on the basis of permission from Mr B.

Although I don't think Danske has acted unfairly or unreasonably in this case, I can understand Mr B being unhappy about having his account closed when he wanted to continue using it. I hope this decision has helped Mr B to understand why I can't uphold his complaint.

### **My final decision**

For the reasons I've set out above, my final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 June 2024.

Lucinda Puls  
**Ombudsman**