

The complaint

Mr G complains that National Westminster Bank Plc (NatWest) closed his bank account without reason. He wants NatWest to provide a proper explanation and reopen his account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr G has explained that his son and business also had accounts with NatWest. I am aware that other complaints have been raised to this service after these accounts were closed. However, this decision will focus on the closure of Mr G's personal account. The closure of the other accounts Mr G has mentioned will be dealt with separately.

Mr G had been a long standing customer of NatWest having had several accounts with the bank since the mid 1970's. Mr G has explained that he has always maintained his accounts properly and repaid any money he has borrowed from the bank over the years. So, he can't think of a genuine reason why the bank wouldn't want to carry on providing him with banking facilities.

In December 2022, NatWest reviewed Mr G's account. As part of this review NatWest asked Mr G about some transactions that he had made on his account. Mr G says that when he was contacted by the bank, he gave a detailed and specific explanation for the transactions, but he felt the questions that the bank asked following his responses went too far. He thought that they were intrusive and an invasion of his private affairs.

Mr G also explained at the time, that he was leaving the UK to undergo long term treatment for a serious health condition. So, he declined to provide further information. And he told NatWest that they should speak to Mr G's premier bank account manager, who appeared to be happy with how he managed his account, if it wanted more information.

Following this, NatWest completed its review and decided to close Mr G's account. NatWest wrote to Mr G on 22 February 2023 giving him 60 days' notice to make alternative banking arrangements. The account was closed in April 2023. During the notice periods Mr G could use his account normally.

Mr G was shocked and upset to discover that NatWest had decided to close his account. He complained to NatWest and asked the bank to provide an explanation why it no longer wanted him as a customer, but NatWest wouldn't provide him with much information.

Mr G appealed NatWest's decision to close his account. NatWest reviewed its decision but maintained its position. Mr G said at the time he was focussing on treatment for a serious health condition, so NatWest closing his account was an unwelcome distraction. And made an already difficult situation, much more challenging and upsetting.

Mr G complained to NatWest. He said he wants a proper explanation why the bank closed his account and wants it reopened. In response, NatWest said it hadn't done anything wrong and had closed the account in line with the terms and conditions.

Unhappy with this response, Mr G brought his complaint to our service where an investigator considered it. The investigator asked NatWest to provide more information about why it had closed Mr G's account. NatWest gave us some information but said it couldn't provide anything more than it had already provided to us. But overall, the bank said it was complying with its legal and regulatory obligations and had closed the account in line with the terms.

The investigator said that based on the limited information the bank had provided, she couldn't say the bank had treated Mr G fairly when it had closed his account. So, she said that NatWest should pay Mr G £100 compensation for the trouble and upset this had caused him. Mr G disagreed. He said he is not interested in compensation. He wants NatWest to explain why it did what it did. And reopen his account. He pointed out that friends had a similar experience, and suspects that NatWest's actions are based on his ethnicity, which is discriminatory. He also said that he suspects NatWest closed his account because the bank isn't making as much money out of him these days.

In response to the investigator's view NatWest provided more information about the reasons it closed the account. The investigator reviewed the information and issued a second view saying that she couldn't share any more information but didn't think the bank had done anything wrong when it had closed the account.

Mr G disagreed and said he suspects there is more to the matter and wants to know the reasons behind the bank's decision to close his account.

As no agreement could be reached 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 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. This means I haven't been able to share a lot of detail with Mr G, but I'd like to reassure him that I have considered everything he and NatWest has said before reaching my decision.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

NatWest are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. That may lead to NatWest asking a customer for more information about transactions, how an account is being operated, or the individual. Sometimes, following a review, banks can decide to close

accounts.

That's because NatWest is entitled to close an account with Mr G just as he is entitled to close his account with NatWest. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank of financial business must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

I've looked at the terms and conditions and they state that NatWest could close Mr G's account by giving him at least 60 days' notice. I've seen a copy of the notice to close letter that NatWest sent Mr G in February 2023, giving him the full notice period, so I'm satisfied that NatWest has complied with this part.

I've next gone on to consider whether NatWest's reason for closing the account was fair. In doing so, I've kept in mind that NatWest are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite NatWest should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

As I've said above, NatWest has provided some further details of its decision making process, I'm sorry but I can't share this information with Mr G due to its commercial sensitivity. Based on what NatWest has shared with this service, I'm satisfied their actions were reasonable in the circumstances. And the bank's decision to stop providing Mr G with banking facilities was reached fairly.

On balance when considering NatWest's wider legal and regulatory responsibilities and all the information available to me, I find NatWest had a legitimate basis for closing Mr G's account and not tell him why.

I understand of course why Mr G wants to know the exact reasons behind NatWest's decision. It can't be pleasant being told you're no longer wanted as a customer. Especially as Mr G was such a long standing customer of the bank. While not trying to minimise the upset and frustration this no doubt caused Mr G, especially as at time when Mr G was battling a serious health condition, the closure of an account can be due to a number of reasons. Just the same as if Mr G decided to stop banking with NatWest, he wouldn't have to explain why. NatWest is under no obligation to tell Mr G the reasons behind the account closure, as much as he'd like to know. NatWest also doesn't disclose to its customers what triggers a review of their accounts. So, I can't say it's done anything wrong by not giving Mr G this information. And it wouldn't be appropriate for me to require it to do so.

I know Mr G says that he is a victim of discrimination by NatWest. He believes NatWest closed his account on the grounds of his ethnicity. 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 G 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 NatWest treated Mr G

unfairly. So, I haven't found that NatWest decided to close the account for an improper reason.

While I appreciate how NatWest closing his account made Mr G feel and his perspective on why NatWest took the actions it did, I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that NatWest would have treated another customer with similar circumstances any differently than Mr G. So, I can't say NatWest treated Mr G unfairly because of his ethnicity. I know Mr G has referred to other people that he knows who have had their bank accounts closed. But I can't comment on those. I am only concerned with the facts of this complaint.

In summary, it's clearly caused Mr G trouble and upset when NatWest closed his account. 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 treated Mr G unfairly when it closed his account. So, I won't be asking NatWest to do anything to resolve Mr G's complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 April 2024.

Sharon Kerrison
Ombudsman