<u>Ombudsman Decision</u>
<u>CIFO Reference Number:</u> 25-000293
<u>Complainant:</u> Mr M
<u>Respondent:</u> RBSI TA NatWest International (Jsy)

Complaint

Mr M is complaining about RBSI TA NatWest International (Jsy),(hereafter referred to as NatWest) because he says that NatWest have incorrectly and illegally restricted access to his NatWest bank account. He says it has no reason to do this and has asked that it removes any 'block' on his account so that he can access his money.

Background

Previously Mr M lived and worked outside of the U.K. He then travelled extensively, and it is my understanding that he did not undertake any paid employment when he did so. This resulted in Mr M not being tax resident in any country. Mr M continues to travel to other countries but does spend some time occasionally in the UK.

Mr M had an existing bank account with NatWest. Recently NatWest had cause to check where Mr M was tax resident. As Mr M could not demonstrate a tax residency, NatWest 'blocked' transactions via the account.

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

After reviewing the evidence carefully, I didn't conclude the complaint should be upheld and I issued an assessment setting out my findings. In summary, I found that Mr M could not access his accounts because of NatWest's obligations under the Common Reporting Standard (CRS). I explained that the CRA is an international framework for the automatic exchange of financial account information between tax authorities. This requires NatWest to identify account holders tax residency. Reasons for doing so include combating tax evasion, and reporting relevant details to the applicable tax authority of the country of tax residence.

Given that, it was my view that NatWest was simply abiding by its obligations in requiring evidence of tax residency from Mr M.

I set out that it was my understanding that Mr M had said that he is not tax resident in any country. This means that he could not supply the relevant residency information to NatWest.

I set out that NatWest had suggested two methods to resolve the issue:

1. Supply the requisite information of tax residency, or
2. Supply a statement from a qualified tax adviser/accountant that Mr M is not resident in any country and they (the accountant) will monitor that situation.

I said that, assuming that Mr M is not tax resident in any country and will not become so, it is the second option which would appear open to him.

I said that NatWest has set out reasonable options to resolve the issue with Mr M's bank account.

I appreciated that Mr M would incur costs to meet the second option – the firm of accountants he had retained, had set out that cost. However, I remained of the view that NatWest has acted reasonably in the options it had offered to resolve matters.

In summary my view was that:

- NatWest had not acted unreasonably in preventing account transactions in respect of Mr M's bank account, given its obligations.
- NatWest had set out reasonable options to resolve the issue.

Mr M didn't accept my assessment and said that there was no reason for NatWest to 'block' his accounts, especially as he had banked with it for some time. He said that another reason NatWest was blocking his account was that it was being influenced by a third party or parties.

Soon after I issued my assessment, NatWest agreed as another option to transfer Mr M's account balance to another bank account he held. His NatWest accounts would then be closed. Mr M agreed to that and completed the requisite forms.

I asked Mr M if this had resolved his complaint, but he stated that NatWest had acted unreasonably in not offering this option earlier and he should be due compensation – especially as he had paid money to an accountant.

NatWest has confirmed that the transfer has now been made and Mr M's account(s) with it have been closed.

My Findings

I've carefully considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. In considering what's fair and reasonable, I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In setting out my decision, I haven't necessarily mentioned or addressed every point raised by the parties. Instead, I've concentrated on the key issues that I think are central to the outcome of the complaint. This is in keeping with our established purpose to act as an informal alternative to the courts.

Where necessary or appropriate, I've reached my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the available evidence and the wider surrounding circumstances.

I would confirm that in respect of the actions NatWest took and proposals it made in respect of Mr M regaining normal access to his accounts, that is, with respect to his tax residency, it acted reasonably. As I said in my assessment, NatWest has certain obligations when providing a bank account, and given Mr M's specific circumstances, it set out reasonable remedies. This is not affected by Mr M banking previously with NatWest.

In terms of the option to transfer Mr M's bank account balances, this is different from the issue Mr M raised, which was access to, and performance of, his accounts at NatWest. That is, those accounts continuing into the future with Mr M regaining access. This is a different matter than transferring and closing the accounts. That was an option considered later, once it was apparent that Mr M had an account he could transfer to and was willing to entertain that. That does not mean that NatWest's actions previously fell short of what could reasonably be expected or this option should have been explored earlier.

I would confirm that I have not seen interference with NatWest's actions by third parties, as Mr M has suggested and, in any event, I would reiterate that the actions it has taken are reasonable in the circumstances.

As discussed, Mr M has now been able to withdraw his money. I should confirm that any difficulties he may now have with other banks should be raised with those businesses in the first instance. I cannot address them via this complaint about NatWest.

It's for these reasons that I'm not upholding this complaint. I appreciate this will come as a disappointment to Mr M, but I'm satisfied the outcome is fair and reasonable in the circumstances.

My Final Decision

My final decision is that I do not uphold Mr M's complaint and I make no award.

David Bird

Ombudsman

Date: 14 January 2026