<u>Ombudsman Decision</u>
<u>CIFO Reference Number:</u> 25-000401
<u>Complainant:</u> Mr R
<u>Respondent:</u> RBSI TA NatWest International (Jsy)

Complaint

The complainant, who I'll refer to as Mr R, is complaining about RBSI TA NatWest International (Jsy) as a result of its decision to close his account. He believes this decision was unfair because it's based on a false premise and is dissatisfied that he was provided conflicting information when he questioned the decision.

Background

Mr R sent a large payment from his NatWest account to an overseas country. I understand this was to fund a property purchase. Shortly afterwards, on 20 June 2025, NatWest wrote to confirm its intention to close his accounts on 23 September. The letter gave the following reason for this decision:

> *We've a limit to what we can accept when it comes to supporting customers who reside, operate, or have material assets in certain countries. Regretfully, after a review we've decided that your accounts falls outside our limit.*

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

After Mr R questioned this decision, on 23 June, a member of NatWest staff explained that this is because he was *"currently living in [overseas country], which is a Mandatory High-Risk Country, and we can no longer bank customers who live there"*.

Mr R then clarified that he'd only sent money to that country and wasn't living there. On 27 June, NatWest apologised for incorrectly assuming he lived overseas and clarified that it was actually the large payment to the country that had added a high-risk marker to his account. Initially, the bank indicated that the decision to close the account could be reversed if he provided documents to prove his address. But on 3 July, after he'd provided the requested documents, NatWest told Mr R the account closure would proceed unless he increased the balance to its threshold of £250,000.

Mr R's account was ultimately closed in September 2005.

Our adjudicator concluded the complaint should be upheld. While she didn't believe NatWest had acted inappropriately when deciding to close the account, she felt the contradictory information it provided about the reasons for this caused Mr R unnecessary distress and inconvenience and recommended it pay compensation of £250.

NatWest accepted the adjudicator's assessment. Mr R didn't and made the following key points:

- The main purpose of his complaint is not to receive compensation but to challenge the bank's decision to close the account and the adjudicator's assessment doesn't address this.

- The decision wasn't fair because it was based on a false premise that he'd relocated to another country.

- He received assurances the decision would be revoked that weren't honoured.

- He discussed the overseas payment that triggered the decision with his relationship manager before it was made and he should have been warned about the consequences.

- With these points in mind, the decision to close the account should be reversed and any high-risk marker removed.

As Mr R requested, the complaint has now been referred to me for review.

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.

The first point to make here is that a bank is entitled to take the decision to close a customer's accounts provided appropriate notice is given, which it was in this case. These are commercial decisions made by a bank in the operation of its business and are not normally something in which CIFO would become involved. With this in mind, I won't be directing NatWest to reverse its decision and reinstate Mr R's account.

In terms of the fairness of the decision, the way it was initially communicated appeared to suggest it was based on a false premise that Mr R was living in a different country. But NatWest subsequently apologised for this misunderstanding and clarified that it was the large payment to that country that had led to the high-risk marker being applied. So while the bank may have misunderstood the situation regarding Mr R's residency, it doesn't appear this was the crucial factor in its decision to close the account. Further, this decision appears to have been taken in line with NatWest's normal procedures.

I understand Mr R is disappointed that the potential consequences of the payment weren't discussed when he spoke with his relationship manager. But I wouldn't necessarily expected them to have had full details of all situations that could lead to an account closure to hand. And, in any event, it's not clear Mr R would have changed his plans in respect of the proposed property purchase simply because that may require him to change his banking arrangements.

In his complaint form, Mr R has confirmed that this episode hasn't caused him to lose out financially. But nonetheless, I can see that the conflicting information he initially received about the bank's decision and the fact there was a short period (between 27 June and 3 July) when he thought this might be reversed would have caused him unnecessary distress and inconvenience. I believe he should be compensated for that.

The amount to award for a consumer's distress and inconvenience can be difficult to assess as the same situation can impact different people in different ways. But after carefully considering the circumstances of this complaint, I'm satisfied that the compensation of £250 proposed by the adjudicator is a fair and reasonable settlement.

It's for these reasons that I'm upholding this complaint. I appreciate the proposed settlement doesn't go as far as Mr R would like, but I'm satisfied the outcome is fair and reasonable in the circumstances.

My Final Decision

My final decision is that I uphold this complaint. Subject to Mr R's acceptance, RBSI TA NatWest International (Jsy) should now pay him compensation of £250.

Jim Biles
Ombudsman
Date: 17 February 2026