



<u>Decision Ref:</u>	2021-0076
<u>Sector:</u>	Banking
<u>Product / Service:</u>	Opening/Closing Accounts
<u>Conduct(s) complained of:</u>	Failure to provide product/service information Dissatisfaction with customer service
<u>Outcome:</u>	Rejected

**LEGALLY BINDING DECISION
OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

The Complainant is a limited company and holds a business current account with the Provider. The Provider wrote to the Complainant in **October 2019** to notify the Complainant that it was closing the Complainant's bank account. The account was closed in **January 2020**.

The Complainant's Case

The Complainant explains that it opened an account with the Provider in 2017 and the Provider has closed its account.

The Provider's Case

The Provider explains that the account the subject of this complaint is a business current account which was opened on **12 June 2017**. The Provider advises that the account was closed on **15 January 2020**.

In accordance with the terms and conditions of the account, the Provider says the Complainant was given 60 days' notice of its intention to close the account by letter dated **23 October 2019**.

The Provider refers to clause 8 of its *Non-Personal Banking Terms & Conditions* in respect of its right to close the account.

The Complaint for Adjudication

The complaint is that the Provider wrongfully or unreasonably closed the Complainant's account.

Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainant was given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties on 3 March 2021, outlining my preliminary determination in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, within the period permitted, I set out below my final determination.

Background

The Provider wrote to the Complainant by letter dated **23 October 2019** in respect of the closure of its account as follows:

"[The Provider] have recently undertaken a review of the banking arrangements that you have with us. We have, with regret, reached the conclusion that we will no longer provide these facilities for you.

/Cont'd...

Consequently, you will need to make alternative banking arrangements within 60 days of the date of this letter. The arrangements must be outside of [the Provider's group of companies], which included [the Provider].

You will need to make alternative payment arrangements because at the end of the 60 days:

- *any overdraft facilities will be withdrawn*
- *any Standing Orders and Direct Debit authorities will be cancelled*
- *all cards and cheque books for the account(s) will be stopped*
- *online banking will be terminated*

- *your account(s) will be closed*

...

Please visit any of our branches to make arrangements to collect any credit balances.

...

If you have not made alternative arrangements within 60 days of the date of this letter, then any credit balances remaining on your account(s) will be returned to you in the form of a cheque to the account holder(s) and will be sent to the statement address we hold on file. ..."

The Complainant wrote to the Provider on **6 November 2019** requesting an explanation for the Provider's decision and stated that the withdrawal of banking services would have a detrimental effect on its business. The Provider acknowledged this letter as a complaint on **11 November 2019**. A Final Response letter issued on **20 November 2019**, explaining:

"We have provided you with 60 days notice from the date of our letter of the Bank's decision and advised that you will need to make alternative banking arrangements within this 60 day period. The Bank has made a commercial decision to withdraw from providing banking facilities for you and is not required to provide you with any further explanation.

In line with the Business Banking terms and conditions of your accounts under Section 8, Termination:

8.2 ...

8.3 ...

8.4 ...

/Cont'd...

As this decision has been taken in line with Bank policies and procedures we will not be in a position to uphold your complaint. These Terms & Conditions govern the operation of your account with the Bank. The required notice period of 60 days was provided in accordance with our terms and conditions. ...

We assure you that we have only reached this decision after careful consideration, however our decision is final and we are not prepared to enter into any discussion in relation to it. ...”

Analysis

Clause 8 of the account terms and conditions deals with termination and states as follows:

“8.2 The Bank may, without giving a reason close an Account.

8.3 The Bank will give the Customer not less than 60 days’ written notice to close an Account. If at the end of that period, the Customer has not closed the Account, the Bank will be entitled to refuse to accept any more payments into the Account (except such payments as are necessary to repay any debt including outstanding interest and charges in the Account).

8.4 On closure, the Bank will return any credit balance to the Customer or the Customer will repay any debit balance to the Bank. ...”

The Complainant’s contractual relationship with the Provider is governed by the account terms and conditions. I note that the account terms and conditions were accepted by the Complainant when the account was opened.

Clause 8 makes clear that the Provider can close an account without giving a reason for its decision so long as 60 days’ notice is given to a customer. In the context of this complaint, the Provider wrote to the Complainant on **23 October 2019**, notifying the Complainant of its decision to close the account in 60 days. The evidence shows that this letter was received and acknowledged by the Complainant, although the Complainant did not agree with the Provider’s decision and asked that the Provider give an explanation for its decision. I also note that the account was closed no sooner than the 60 day period, closing in **January 2020**.

While the Complainant is dissatisfied with the Provider’s decision, having regard to the account terms and conditions, in particular clause 8, I accept the Provider was entitled to close the account. Further to this, while the Complainant requested an explanation for the Provider’s decision, pursuant to clause 8.2, the agreement between the parties provides that the Provider was not required to give a reason for its decision.

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For the reasons set out in this Decision, I do not uphold this complaint.

Conclusion

My Decision pursuant to **Section 60(1)** of the **Financial Services and Pensions Ombudsman Act 2017**, is that this complaint is rejected.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.



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FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

24 March 2021

Pursuant to **Section 62** of the **Financial Services and Pensions Ombudsman Act 2017**, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

- (i) a complainant shall not be identified by name, address or otherwise,**
- (ii) a provider shall not be identified by name or address,**
- and**

(b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.