



Treasury Committee

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Nikhil Rathi
Chief Executive Officer
Financial Conduct Authority
Via email

22 July 2021

Dear Nikhil,

FROZEN BANK ACCOUNTS

I was pleased to see the prominence that the FCA has given to the consumer in the business plan published 15 July. I also welcome the FCA consultation on the new “consumer duty” which aims to set clear and higher standards for regulated firms. I look forward to the conclusion of the consultation with interest.

The committee has recently become concerned about recent press reports that NatWest Bank might have frozen the bank accounts of some vulnerable customers on low incomes for no apparent reason. I would be very grateful if you could give me your thoughts on the following:-

- To what extent do you believe that these press reports are accurate and what evidence do you have that this is a widespread problem across the banking sector?
- Why do you think some banks might have taken this action?
- What customer service standards do you expect from banks when they move to freeze bank accounts?
- How is the FCA ensuring that banks treat customers fairly in relation to freezing bank accounts, and how are you ensuring that all banks have the same standards?
- What progress you have made on this issue following the Committee recommendations in [November 2019](#) that there should be “timely and appropriate action taken where instances of blanket de-risking are apparent.” and that “Banks should only use Artificial Intelligence if they have a high degree of assurance that its use will not result in bias. Regulators have a role to play to ensure it is used responsibly and does not pose indiscriminate risks to sections of society”¹

I shall be placing this letter and your response in the public domain. I would be grateful for a reply by Monday 9 August.

With best wishes,

Rt Hon. Mel Stride MP
Chair of the Treasury Committee

¹ Treasury Committee, [Economic Crime: Consumer View](#), 1 November 2019, paras 77 and 78.