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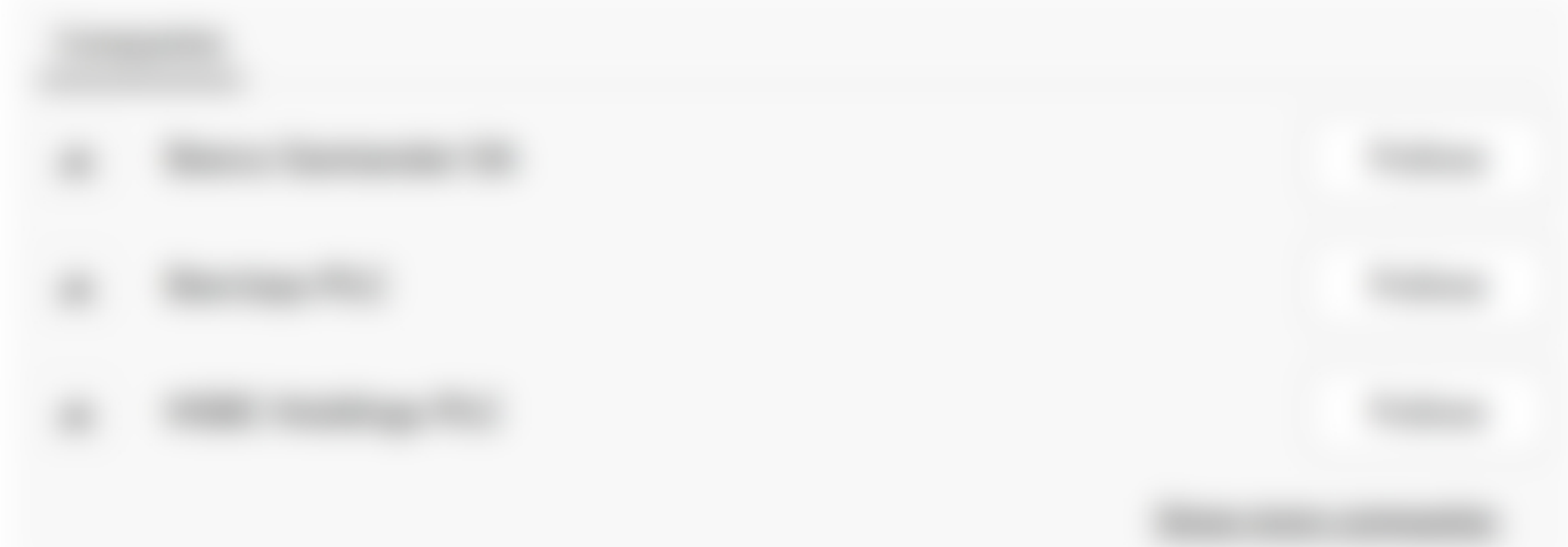
Britain proposes 'debanking' law after NatWest debacle

By Huw Jones

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People walk past a Natwest Bank branch in central London, Britain November 22, 2023. REUTERS/Isabel Infantes/ File Photo [Purchase Licensing Rights](#)



LONDON, March 14 (Reuters) - Britain proposed a [draft law](#) on Thursday that will compel banks to give customers three months' notice and an explanation before closing their accounts, after former Brexit Party leader Nigel Farage said last year he was 'debanked' on political grounds.

Terminating services became a political issue after Farage said his account at [private bank Coutts](#), part of NatWest, was closed due to his political views, spurring a row that ended with the shock [departure of NatWest CEO Alison Rose](#).



Finance minister Jeremy Hunt said in October he would [change the law](#) to make sure banks cannot close accounts just because they disagree with others' political views.

"The government has been unequivocal in its view that customers should not see a payment service terminated on grounds relating to their lawful freedom of expression including, for example, political beliefs," the finance ministry said in its draft law, which is out for comment.



Payment services providers like banks would have to give 90 days' notice of an account closure, up from two months at present, and must provide a "sufficiently detailed and specific explanation" to the customer.

Banks would not be allowed to insert clauses into customer contracts to circumnavigate the new requirements.

However, lenders closing an account due to anti-money laundering or terrorist-financing safeguards would not have to give a notice period or an explanation.

Parliament is expected to approve the new rules before the summer, and they will come into force "as soon as practicable".

The ministry said that while concerns that led to the review of the rules related to retail customer services, the broader issue of debanking predated the Farage incident.

"The government has therefore concluded it is appropriate to address its reforms to contract-termination rules to all payment services providers," it said.

