

It's Not You, It's Me: When Banks Break up with Red Notice Subjects

By Michelle A. Estlund on June 22, 2011

One of the more inconvenient results of being the subject of a Red Notice is that your bank might break up with you. One of the more frustrating parts of that break up may be that the bank won't say exactly why.

All financial institutions have their own policies (or [should have them](#)) regarding risk management practices. When a risk management department becomes aware that a customer has an existing Red Notice, it may decide that it no longer desires that person's business, even if the customer is unaware of the Notice's existence.

Given that all banks are different, it's natural that their approaches to closing customer accounts differ. Some institutions may provide a specific reason for the closing of the account, while others simply refer to generalized "suspicious activity" as the reason. Still others advise from the very beginning of the banking relationship that [they may close the account at any time for any reason](#), and then may do just that without saying more.

So what's a Red Notice subject to do? If the reason for the account closure is not given, or if it is stated as being based on "suspicious activity," it would be wise to begin the inquiry process to determine whether a Red Notice does exist, and if so, why it exists, and whether it should be challenged.

As always, thoughts and comments are welcomed.