

## **The complaint**

Ms B and Mr V complain that National Westminster Bank Plc (NatWest) blocked their accounts in respect of a fraud check despite them having advised it of a transaction in advance and offering to supply information.

## **What happened**

In September 2023 Ms B and Mr V were in the process of selling a property abroad. Mr V notified NatWest in advance that a large financial transaction was taking place. When the monies from the property sale were received Ms B transferred funds to a business account. This resulted in the joint account being blocked, together with Mr V's personal and savings accounts. He offered to provide the contract documents for the sale and asked to speak to a manager with a view to getting the accounts unblocked. However NatWest declined his offer and advised that the fraud team would deal with the unblocking. The accounts were unblocked the next day with no further documents or action required, save for a conversation with Ms B.

NatWest explained it couldn't advise in advance what payments would require a security check. It further said that speaking to a manager would not have assisted in unblocking the accounts, as the fraud team had to complete their review. As regards Mr V's offer to provide the contract documentation, it explained that the transaction under review was the payment out rather than the payment in. It nevertheless recognised the distress and inconvenience caused and made a payment of £100 compensation.

On referral to the Financial Ombudsman Service, our Investigator said that he believed NatWest had acted reasonably and fairly, acted within the terms and conditions of the bank account, and caused Ms B and Mr V the minimal amount of disruption possible.

Mr V did not agree, and the matter has been passed to me for an Ombudsman's consideration.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I should correct Mr V on one comment he made in response to the Investigator's view. We are not the regulator. We act as an alternative dispute resolution service, our function is to resolve individual complaints informally.

Mr V will be aware that NatWest has to comply with banking regulations concerning fraud and other issues. This means that for transactions that involve a high degree of risk it must have a system in place to review them. With over 19 million customers, this has to be an automated procedure. Unfortunately that means that the system can block genuine customers carrying out genuine transactions, but all the bank can do in such circumstances is to carry out its fraud review as quickly as possible. This was an unusual transaction, involving a new payee. Taking into account also the amount of the payment I'm satisfied that

NatWest reasonably assessed this as carrying a high degree of risk

I'm aware that Mr V provided information in advance of the transactions taking place. But NatWest can't predict what transactions will be blocked and I don't think it would be reasonable to expect it to allow a transaction to go through without being subject to its full procedures. At best I think it should have warned Mr V that the transactions could still be blocked. But I note that it paid £100 compensation, which I think was appropriate in the circumstances.

With regard to the accounts being blocked, again that was a result of the system rather than an individual decision. And, based on the nature of the risk, and as both Ms B and Mr V were involved in the transactions, I think it was reasonable to block the accounts in both their names.

I'm aware that Mr V offered to provide contract documentation to prove the source of the funds and was denied being able to speak to a manager about unblocking the account. But I understand that the transaction being investigated was the payment out rather than the payment in. And I think it was reasonable to allow the fraud team to go through their review, and speaking to a manager would not have helped this.

Recognising that blocking all of a customer's accounts would be very inconvenient, it would be reasonable to expect the fraud team to carry out the review as quickly as possible. I don't know exactly what information they took into account, as the nature of that is confidential, but I do note that they spoke to Ms B before unblocking the account. I've noted that the transaction was blocked in the morning on the first day and was unblocked late on the second day. As this fits within its expected time frame of two working days, I think that NatWest acted fairly here.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr V to accept or reject my decision before 19 March 2024.

Ray Lawley  
**Ombudsman**