

The complaint

Mr N complains National Westminster Bank Plc blocked his account. As a result, he was unable to get medication for a family member. Mr N would like compensation.

What happened

Mr N had accounts with NatWest.

On 15 September 2023 Mr N deposited £5,000 in cash into his account. His intention was to transfer it out, but NatWest stopped the transfer and blocked his accounts.

Mr N phoned NatWest on 18 September 2023. Following the call, the blocks were removed from his account.

NatWest said they had blocked the transfer as part of their fraud prevention measures to safeguard Mr N's account.

Mr N was unhappy that the block, which was during a weekend, caused distress to himself and his family. Mr N has told us he was unable to get medicines for a family member because of the block. He also said that he had suffered a financial loss because the money in the account was earmarked for a project.

Following his complaint to NatWest, it offered £100 as a gesture of goodwill because of Mr N's distress and difficulty in getting medication for his family member. This amount was credited to his account.

Mr N said he thought £20,000 compensation was more appropriate.

Mr N complained to our service. One of our investigators looked into the complaint. She said NatWest had acted fairly when they blocked the account to protect Mr N and the bank from potential fraud. The bank had completed its review within the timescale – given that the block was placed on a Friday afternoon. She didn't think the bank had done anything wrong by not calling Mr N given that he had been asked to call the bank himself. She thought the £100 offered by NatWest was more than she would have awarded given the circumstances.

Mr N was unhappy with the view. He said NatWest must have done something wrong otherwise they wouldn't have offered £100. He thought it was unfair that NatWest had blocked all of Mr N's accounts, even his children's accounts. He didn't think £100 compensation was enough

As there was no agreement the matter has come to me to decide.

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.

Financial businesses, like NatWest, are subject to a number of legal and regulatory

requirements. These mean they have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments. This is reflected in NatWest's terms and conditions. These say NatWest can block an account or card to meet its legal obligations and delay payments if needed to carry out further checks.

In Mr N's case, I'm satisfied that NatWest was acting in line with its legal and regulatory requirements when it reviewed Mr N's account. NatWest wanted information regarding the payment of £5,000 he wanted to make. Because of the legal and regulatory obligations NatWest are subject to I am satisfied that they acted fairly when they blocked Mr N's accounts.

NatWest has to have in place security measures and procedures in order to try to safeguard its customers' accounts and ensure it complies with its legal and regulatory obligations. And it's not for this service to interfere with these processes. That's a matter for NatWest.

Mr N has said that NatWest took too long in their review of Mr N's account. I've looked at the timeframe and I think NatWest acted promptly and didn't delay the review. I'm satisfied they complied with their own timeframes. The blocks on Mr N's account were lifted the next working day. I appreciate that Mr N's account was blocked on a Friday afternoon and his account was unblocked on Monday.

Mr N has said that due to the blocks he wasn't able to get medicine for a family member and he also lost out because the money was earmarked for a project. I thank Mr N for all the information and evidence he has provided regarding the issues he had as a result of the account block. I have listened to his calls to the bank, and I know he was very worried and distressed. NatWest offered and paid Mr N £100 as a gesture of goodwill – Mr N has said this isn't enough and he wants more compensation. He's also said that NatWest wouldn't have offered £100 if they hadn't done something wrong.

I appreciate Mr N feels strongly about this. I've looked at the evidence and I'm satisfied that NatWest didn't commit any errors or act unfairly when they blocked and reviewed Mr N's accounts. I am sorry that the block caused Mr N such distress but as NatWest acted appropriately, I won't be asking them to pay any compensation in this situation.

My final decision

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 31 July 2024.

Esperanza Fuentes
Ombudsman