

The complaint

Miss C complains that National Westminster Bank Plc blocked two payments she tried to make from her account and failed to contact her about unblocking them. As a result there was a delay in transferring the money out of her account.

What happened

In April 2023 Miss C switched her account to NatWest and deposited money in that account so that she would be eligible for the switching bonus. She received payment of that bonus and then in May 2023, on a Saturday, attempted to make three payments out of the account. The first payment for a nominal sum of £1 went through but the two further payments, which would have reduced the balance on her account to £0, were blocked by NatWest's fraud process. She received a text asking her to confirm one of the payments was genuine and she replied to this.

However the payments did not arrive in her account with another bank although Miss C understood that the payments had been successfully debited. She contacted NatWest several times on the following Monday and was finally able to get through to an adviser on the fraud team when her payments were unblocked late on that day.

NatWest said that there was no error in blocking her payments as its automated fraud procedure had flagged up the payments as a risk. It said that Miss C should have received texts asking her to contact the fraud team. And that the faster payments process allowed two hours as a minimum, not a maximum. It apologised for the poor service she had received in trying to contact it by telephone and paid her compensation of £60.

Following Miss C's response to this, NatWest said it had wrongly told her about the time period for the faster payments process, and that she had only received one text from its fraud team. It paid her compensation of a further £60.

On referral to the Financial Ombudsman Service, our Investigator said that NatWest wasn't responsible for the delay in making the payments as Miss C had scheduled them to be paid on the day that they were actually paid. He said that NatWest had awarded reasonable compensation.

Miss C said that she had set up the payments under the faster payments process to go out on the same day that she carried out the transaction, and that NatWest was wrong to suggest otherwise. She believed that she was entitled to further compensation.

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 think it's clear here that NatWest provided a poor service to Miss C when she tried to make

the payments from her account. First of all, I think that she did only receive one text from the fraud team which asked whether or not she had made one of the two blocked payments (the higher payment). She responded, as instructed, "Y", to this. So she would have known that the payment was "on hold" as set out in the text. But she didn't know the payment would not automatically be released. As I understand it, NatWest's process would be to send her further texts asking her to contact the fraud team. I think she wasn't sent those texts, and this was admitted by NatWest in one of its final response letters.

I believe that Miss C went onto the NatWest online chat and was assured that the payments had left her account. But they hadn't arrived in her other account and she wasn't able to get the payments released until the following Monday.

There is some dispute as to whether Miss C set up the payments to leave her account on the Saturday or, as NatWest's records seem to show, the following Monday. There is conflicting evidence here but I'm satisfied that her intention was to make the payments through the faster payments process on the Saturday.

NatWest has said that its fraud team has an internal process of a certain length of time to deal with blocked payments. I don't think it necessarily needs to make that process generally available to customers. But it did unblock Miss C's payments within that period. So, whether or not Miss C expected the payments to leave her account immediately, NatWest's automated fraud process flagged the payments as possible fraud. Had Miss C received text messages on the Saturday, it's possible she could have had her payments unblocked on that day but I can't say whether it was likely as I don't know what steps the fraud team would have had to take.

So overall I find that NatWest didn't keep Miss C properly informed about the blocking and unblocking process. She also had to make a number of phone calls before she could get it unblocked, and NatWest didn't advise her correctly about the time period for faster payments. I bear in mind that Miss C hasn't told us of any financial loss. I think that NatWest has paid an appropriate amount of compensation for the distress and inconvenience suffered. This is in line with the sort of award I would have made and with other awards we have made in similar cases.

My final decision

As National Westminster Bank Plc has paid an appropriate amount of compensation, I won't require it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 April 2024.

Ray Lawley
Ombudsman