

The complaint

Mr K says National Westminster Bank Plc blocked his account on two separate occasions when he was trying to send money to his daughter. He is also unhappy with the service NatWest provided when unblocking his account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr K has a business account with NatWest. Mr K has told that on 18 July 2023, whilst at work, his daughter contacted him and asked him to send her an emergency payment of £10. Mr K tried to make the payment using his online banking, but NatWest blocked the payment after it flagged on the bank's fraud detection systems.

Mr K called NatWest to try and find out why the payment had been stopped. Mr K spoke to an advisor who asked Mr K several security questions to verify Mr K's identity. Unfortunately, Mr K failed to answer one of the questions correctly, which meant he didn't pass the bank's verification process and his account was blocked to safeguard his account. The advisor told Mr K that he would need to visit a bank branch with identification to unlock his account so that he could make the payment.

The following day Mr K used his lunch hour at work to visit a branch, which took around an hour. Mr K presented his driving licence at the branch which was verified by staff. However, Mr K then had to make a further call to get his account unlocked and make the payment to his daughter.

Mr K complained to NatWest. He said he understood that the bank had to have measures in place to protect his account from fraud but he had to take time out of his busy day, travel across London to get to the nearest NatWest branch and spend a long time on the phone trying to sort things out, which was frustrating, time consuming and inconvenient. He said as a result, he ended up feeling quite unwell and suffered a severe migraine for two days which required strong medication.

In response, NatWest apologised for any trouble and upset it had caused Mr K. It explained that it had fraud detection systems in place and were following its standard processes by asking Mr K to visit a branch with ID in order to safeguard Mr K's account. However, it accepted that it hadn't dealt with Mr K's phone calls as best as it could and that the calls were too long. NatWest paid Mr K £75 compensation to recognise the impact this had had on Mr K, which he accepted to resolve his complaint.

On 2 August 2023, Mr K was on holiday overseas. Mr K tried to send a faster payment of £75 to his daughter's account. But NatWest blocked the payment and his online banking. Due to Mr K being overseas he wasn't able to contact NatWest. So, Mr K was unable to access his account online whilst on holiday. Mr K wasn't able to contact NatWest until 19 August 2023.

When Mr K spoke to NatWest it reiterated that the payment had been correctly declined after it had been flagged by its fraud detection system and then sent for further banking checks. Once NatWest had spoken to Mr K on 19 August 2023, and confirmed the second payment as genuine, NatWest removed the block from his account

Mr K complained to NatWest. He said he understood the bank blocked his account on the first occasion and did so with the best intentions to safeguard his account. However, he felt that it was unnecessary to block his account on a second occasion, especially when he'd already previously confirmed that the payment, he was trying to make to his daughter was genuine. He said that the bank's actions had ruined his holiday and caused him a great deal of upset and stress. So, he wants NatWest to pay him compensation for blocking his payment and his account again.

In response, NatWest said it hadn't done anything wrong and had declined the second payment in line with the terms and conditions of the account.

Unhappy with this response, Mr K brought his complaint to our service where one of our investigators looked into it. The investigator acknowledged the impact NatWest's actions had on Mr K, but she said NatWest hadn't done anything wrong when it had blocked Mr K's second payment. So, she didn't uphold Mr K's complaint.

Mr K disagreed and asked for an ombudsman to review the complaint.

As no agreement could be reached 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information NatWest has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr K, but I'd like to reassure him that I have considered everything.

I understand why Mr K is upset about the way NatWest handled his payment instruction – he has explained that he feels NatWest stopping the second payment to his daughter was unnecessary as he had already confirmed the payment as genuine when he'd made the first payment in July 2023. So, he can't see any reason why NatWest wouldn't allow the payment he wanted to make as he had verified things with the bank prior to trying to make the second payment.

I understand that Mr K would have been frustrated that NatWest blocked a further payment that he wanted to make to his daughter. But NatWest does have a responsibility to monitor accounts and payments, and one of the reasons for this is to prevent fraud and scams. NatWest needs to have systems in place to look out for unusual transactions or other signs that might indicate its customers are at risk of fraud. NatWest has explained that Mr K's second payment triggered its fraud detection systems and as such it had to follow the process put in place to protect Mr K's account. As such, I don't think NatWest acted unreasonably by blocking the payment and following its processes.

I can see that NatWest did attempt to call Mr K to verify the payment as part of this process, but it wasn't able to reach him as he was overseas. As soon as Mr K returned from his holiday, he was able to contact NatWest and unblock his account after NatWest were able to verify things. I'm satisfied that NatWest didn't cause any delays in doing so.

Mr K wants to know why his payment was declined. I've looked at NatWest's account terms and conditions. They set out when NatWest can delay or refuse to act on a payment instruction. The terms state that NatWest will always follow an instruction unless one of a number of reasons apply and that they have a right to decline a faster payment instruction if they deem it necessary to conduct further checks. The terms also say customers can contact NatWest for an explanation as to why a payment was declined. But they also state that NatWest won't disclose the reason if there's a legal or security concern that prevents it from doing so. This means NatWest isn't obliged to provide Mr K with an explanation as much as he'd like to know. And it wouldn't be appropriate for me to require it do so.

Mr K has referred to the first payment that was stopped. But that the fact his previous transaction had been picked up by NatWest's security systems doesn't mean it was wrong to highlight the August 2023 payment. It's for NatWest to decide what factors their system should look at when reviewing transactions. And I've not seen anything to suggest it was used unfairly or incorrectly here. So, I can't say NatWest did anything wrong or treated Mr K unfairly when it declined to process his second payment instruction in August 2023.

The timing of NatWest's actions was unfortunate. Mr K was overseas, wanted to send his daughter some money and wanted to be able to check his account online. So, I can understand why he found this experience with NatWest stressful and upsetting. But as I've already explained NatWest needs to have systems in place to safeguard its customers' accounts from fraud (amongst other things). So, I can't say NatWest treated Mr K when it stopped Mr K's payment and blocked his online account access.

In summary, it's clearly caused Mr K trouble and upset when he wasn't able to make a payment to his daughter and see his account online. So, I realise he will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't say NatWest treated Mr K unfairly when it blocked the payment he wanted to make. So, it wouldn't be appropriate for me to award Mr K any compensation since I don't find NatWest acted inappropriately.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 March 2024.

Sharon Kerrison
Ombudsman