

The complaint

Mr S has complained about the actions of National Westminster Bank Plc ('NatWest') when it blocked certain payments being made from his current account.

What happened

In May 2023 Mr S attempted to make an online payment from his account for £315. NatWest has said that this was blocked after its fraud systems flagged it as potentially suspicious because it was not in line with usual spending on the account. A further five payments were then also blocked, and I understand this was because the bank was waiting to discuss the £315 payment with Mr S.

The next day Mr S spoke to NatWest about the payments. He was asked about the reasons for each payment but became unhappy with the questioning from NatWest. After Mr S queried whether he was in fact talking to the bank, the NatWest representative advised Mr S to call the number that was on the back of his bank card and ended the call.

I understand that on the same day Mr S visited a NatWest branch, and having had a discussion with staff, another call was made to the bank's fraud team. Unfortunately after discussing matters for some time, the member of the fraud team became disconnected from the call.

Two days later Mr S visited the branch again, and another call took place from there with NatWest's fraud team. Mr S was unhappy with some of the questions asked during this call, and it ended with NatWest confirming that it would be cancelling all six outstanding payments, with the funds being returned to the account.

Mr S complained to NatWest about its actions, unhappy with the service he had received, and saying that he should not have needed to visit a branch in an attempt to get the payments made.

NatWest responded that it had asked Mr S the questions that it had about the payments in order to protect him from falling victim to a fraud or scam, and that this was in line with its usual process for its customers. NatWest said that it considered its questions were appropriate. It also stated that at no time had it asked Mr S to go to a branch to resolve this matter, and instead he had elected to do this.

Unhappy with NatWest's stance, Mr S brought a complaint to this service. He said that NatWest was in breach of contract, had acted contrary to certain legislation, and had caused him distress. Mr S said that some of the information that he had been asked about in relation to the payments was intrusive and in breach of his right to a private life.

Our investigator did not uphold this complaint, concluding that NatWest's actions when blocking the transactions were reasonable once the £315 payment was initially flagged by its systems for fraud/scam reasons. The investigator considered the questions the bank had asked about the transactions were appropriate, and that it had acted within the account terms.

Mr S disagreed with the investigator's findings. He stated that NatWest had failed in its duty of care in its dealings with him, and he commented that it had caused him serious inconvenience, even if its aims were legitimate. He also said that when he had visited the branch, he had provided various documentation to the bank, and he questioned what more he could have done to ensure the payments were made. Mr S commented that in his view, NatWest had breached regulatory rules.

The investigator accepted that Mr S had been inconvenienced, but his view remained that NatWest had acted fairly by asking the questions it had, with its aim being to protect the funds of its customers.

Mr S provided a further description of the interactions he had had with NatWest regarding this matter. He said that the bank's questioning about the payments was unnecessarily intrusive and intense, causing him significant distress. Mr S highlighted that during the calls, he told NatWest that the £315 payment was for an item of clothing. He questioned why he was asked what devices he uses to access his account online.

Mr S suggested that NatWest had acted in an intimidatory way. He said NatWest's actions were contrary to legislation which covers consumer protection. During the first call he had, Mr S said that the NatWest representative had refused to answer questions he asked, was rude to him, and had abruptly ended the call. He questioned why he was required to respond to NatWest's enquiries to the level of detail that he was asked, bearing in mind that the bank said its actions were for his protection. Mr S also said that NatWest's conduct had impacted on disabilities that he has.

During his first branch visit Mr S said that he satisfied NatWest's data protection requirements in terms of verifying his identity, but was then asked similarly detailed questions when speaking to the bank's fraud team. He has described the questioning as being like an interrogation, and said that he had never had this experience before when using a bank. Mr S suggested the bank had breached codes of practice.

Mr S highlighted the comments made by one of the bank's staff to him when it was suggested that it was because one of the payments was being made to a particular bank that it had been flagged. He said good customer service would be to warn accountholders about this before they attempted to send payments to that bank. Mr S also commented that NatWest should have processed the payments when he said that he was willing to take responsibility for them. He explained that the item of clothing he was initially buying for £315 later was only available for about £1,500.

Mr S said that the information NatWest was seeking regarding the payments related to personal information that legislation prevents him having to disclose. He explained that he had incurred expenses visiting the branch and spent a considerable amount of time there, which he said could have been avoided. He also stated that there was a delay in returning his funds to his account. Mr S said that the account terms the investigator had sent him during his investigation were not the same terms that were applicable when he originally opened his bank account.

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.

Mr S has asked if I have been passed all his submissions as part of my consideration of his complaint, and I can confirm that I have. I also acknowledge Mr S's comment that he has

previously had a complaint about a different bank considered by this service. I should explain that all complaints are considered based on their own individual circumstances and merits.

I note Mr S's comments that the terms and conditions the investigator sent him were not the same as the terms he signed up to when he opened the account some years ago. Mr S has not highlighted specific terms that he considers have changed since then, or explained how that might impact on this complaint. However, in relation to this complaint, I would comment that in my view it is reasonable that NatWest carries out security checks on payments made from accounts it provides its customer. In this case, I consider that the crux of the complaint relates to whether NatWest's actions when questioning Mr S about the proposed payments as part of its security processes were reasonable.

I have listened to the calls that Mr S had with NatWest, and carefully considered his description of the interactions he had with the bank, both in the branch and over the phone. I have also borne in mind what Mr S has said about the levels of anxiety he says he experiences in general. It is clear that NatWest did ask Mr S for significant detail regarding the payments, and I understand that he found this experience difficult. However, having listened to the call recordings, in my view the manner of the questioning was not unreasonable.

Although Mr S has said that NatWest was intrusive, and was seeking information about his private life that legislation protects him from having to disclose, on balance I'm not persuaded that the line of questioning the bank pursued about the payments was inappropriate. I'm mindful that NatWest was attempting to ensure that Mr S's funds were protected. And from the evidence provided, although I appreciate Mr S was upset to be asked the questions that he was, I do not consider that NatWest staff were rude to him.

Mr S has highlighted that the bank was satisfied he had proved his identity when he visited the branch, but its fraud team still asked him the same detailed questions about the payments. I note what Mr S is saying, but my view is that the questions from the fraud team were intended specifically to ensure that the proposed payments from the account were not placing his funds at risk. Although NatWest was satisfied that it was Mr S who had presented himself in person at the branch, its fraud team was attempting to establish whether payments should be processed, after its systems had flagged them as potentially suspicious.

With regard to Mr S visiting the branch, from the evidence I have seen, it does not appear that NatWest required him to go to one of its branches to resolve matters relating to the payments. Consequently I do not consider NatWest should reimburse Mr S for any costs incurred visiting the branch, or inconvenience that may have been caused to him as a result of making the visits.

As Mr S has said, during one of the calls he had with NatWest, it was suggested that the reason one of his payments had been flagged was because it was being made to a particular bank. But separately, in another call Mr S had with NatWest, a member of the bank's fraud team told him that staff do not know the exact reason why certain payments are flagged by its software which monitors potentially suspicious payments. Although Mr S has asked that NatWest tell customers that payments to this particular bank may come under additional scrutiny, on balance I do not consider there is sufficient evidence to show that NatWest should be doing this.

Mr S has commented that NatWest should have processed his payments once he told it that he was willing to take responsibility for these transactions. I understand why he has said this, but my view is that once payments have been flagged as potentially suspicious, it is reasonable that a bank will want to complete its enquiries to satisfy its security checks. As

part of this process, NatWest required its questions about the payments to be answered before it was willing to process them, and on balance, I consider it was fair for the bank to proceed in that way.

Overall I'm not persuaded that it's been shown that any delay which may have occurred returning the funds to Mr S's account caused him a financial loss, or other difficulties. And, taking into account what I have said above, I do not consider that NatWest's actions relating to verifying the payments were unreasonable, in light of its objective to keep its customers' funds secure. I appreciate that Mr S is likely to be disappointed with my findings, and I am sorry to learn that his interactions with the bank caused him the difficulties that they did. But in conclusion, my view is that NatWest should not be required to compensate Mr S for the events that occurred in respect of these payments.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 April 2024.

John Swain
Ombudsman