

The complaint

Mr C complains that National Westminster Bank Plc trading as Ulster Bank refused a £10,000 transfer he attempted to make.

What happened

Mr C attempted to make a transfer of £10,000 to a charity he had previously paid, but Ulster did not process the payment which caused him embarrassment. He received a call from Ulster discussing the payment, but the call handler rejected the payment request. Mr C felt the call handler talked down to him, and he should have processed the payment based on what Mr C told him. Mr C made a complaint to Ulster.

Ulster did not uphold Mr C's complaint. They said they have a fraud detection system in place, which is set to recognise known fraud trends. Ulster said the payment Mr C attempted to make was subject to a security check, therefore it was placed on hold. They said the payment was later rejected by their fraud team, as they held concerns regarding it. Ulster said they reserve the right to refuse to act on Mr C's instructions where they reasonably suspect the instruction may be connected to a scam, fraud or any other crime, or they reasonably consider that his instruction is of a type where there is a high risk of there being such a connection. They said the call with Mr C was handled well. Mr C brought his complaint to our service.

Our investigator did not uphold Mr C's complaint. She said Ulster acted in line with the terms and conditions by rejecting the transfer when they had concerns about the payment. She said she listened to the call Mr C had with Ulster and the call handler handled the call professionally. Mr C asked for an ombudsman to review his complaint.

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.

Firstly, I'm aware that I've only summarised Mr C's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr C that it is not within this service's remit to tell a business how they should run their security procedures, such as when to hold attempted payments, and when to reject payments after a telephone call. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Ulster to make changes to their policies and procedures, if necessary.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent fraudulent transactions. Sometimes they identify and block legitimate payments that a customer wants to take place. This can cause distress and inconvenience

to a customer – but it doesn't necessarily mean they have acted incorrectly.

I've looked at the terms and conditions which were in place at the time of the rejected payment to see if these reference Ulster being able to block, and refuse a payment instruction from Mr C. Section 2.2 of the terms set out when they can delay or refuse to act on Mr C's instructions. Here, Ulster had concerns about the payment as they thought Mr C could be a victim of a scam, so they acted in line with the terms, and they didn't make the payment.

Ulster would also be well placed to know how many of their customers have been affected by fraud and scams in this area. And fraud and scam trends can be fluid, in the sense that they are highly likely to change over time. So what may have been deemed as a lower risk previously can become more of a risk over time and vice versa.

So I'm satisfied that Ulster weren't unreasonable in rejecting the payment based on the reasons given in this section of the terms. While of course I have a great deal of empathy for the position that Mr C found himself in, especially given the embarrassment he felt that he's told us about, and the fact he knew he wasn't a victim of a scam here, I can't say Ulster acted outside of the terms and conditions – even if Mr C strongly believes they should have allowed the payment after his phone call with them.

I've listened to the phone call that Mr C had with the Ulster fraud call handler regarding the £10,000 payment. I'm not persuaded the call handler was talking down to Mr C, he explained the payment had been identified as high risk by their fraud and scam system, and because of their concerns they told Mr C they would go through some activity with him. The call handler asked Mr C several questions and then told Mr C he needed to put him on a brief hold.

When the call handler returned, he said he had completed the system checks and he would read these to Mr C. He mentions they reasonably believe he is a victim of a scam and to protect his account they will return the funds back into his account. As the terms allow Ulster to make this decision, I'm unable to say they should have processed the payment when they had concerns Mr C was the victim of a scam, even though Mr C knew he wasn't the victim of a scam. So it follows I don't require Ulster to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 June 2024.

Gregory Sloanes
Ombudsman