

The complaint

Mr S complains National Westminster Bank Plc unfairly blocked his account and didn't tell him why. He says this caused him embarrassment, inconvenience and he felt discriminated against. He wants compensation.

What happened

Mr S holds a current account with NatWest. He says the following happened:

- He went to make a large payment in branch to make a payment to a business for the purchase of goods, but NatWest refused the payment.
- They asked him for information in relation to his account, so he returned to the branch that same day with proof and spoke to a member of staff. He says the member of staff reviewed his documents and spoke to someone over the phone. The staff member returned and said they would make the payment manually. He says he was kept waiting until after the branch had closed for the day and he thought the payment had been made.
- The above led to him confirming with the payee that the payment had been made. However, the next day he discovered his account was blocked and the payment hadn't gone through, so he raised a complaint. He wanted to know why his account had been blocked and why his payment wasn't made, and a timeframe for when his account would be unblocked.
- He was spoken to rudely over the phone.

In their final response letter NatWest apologised for their staff member telling Mr S the payment had been made. The letter went on to say his account had been frozen and they weren't obliged to tell him why. In their response to our service NatWest said they couldn't find a record of receiving documents from Mr S in branch, but that even if they did, they still needed to carry out further actions before they unblocked the account.

The account was unblocked after NatWest completed their review and Mr S was able to make his payment.

During the time Mr S' complaint has been with our service, NatWest decided to offer £100 to settle his complaint, which Mr S rejected. He said the offer didn't reflect the impact their actions had on him.

Our investigator went on to consider Mr S' complaint and decided NatWest's offer was fair. They concluded:

- It wasn't possible to know what happened when Mr S went into branch as NatWest had no record of Mr S providing the proof he says he brought in. But even if NatWest told him the payment would go through, based on the information which was available NatWest didn't need to process the payment and

it could block Mr S' account. On the basis that Mr S was told incorrect information £100 was reasonable to compensate him for their error.

- NatWest has important legal and regulatory obligations to meet when providing accounts. And sometimes it may want to review an account as part of those obligations. NatWest could also suspend Mr S' account when carrying out the review, and it didn't need to tell him their reasons. While this was frustrating for Mr S and it may have caused him some financial difficulties, NatWest were able to do what they did.
- Mr S felt NatWest were discriminatory. But based on all the available information NatWest's reasons for blocking Mr S' account and not processing the payment were unrelated to a personal characteristic Mr S held.
- On reviewing NatWest's actions, Mr S wouldn't have been able to provide everything they needed to complete their review. NatWest had followed the correct process and they had completed their review when they should have – so there weren't any unreasonable delays.

Mr S disagreed with the investigator's outcome, so he asked for a final decision from an ombudsman. Among other points, he said:

- The bank either lied about saying they made a payment in branch or his account was unrestricted after he provided proof in branch. If he hadn't provided proof then his account wouldn't have been unblocked.
- He was fined for not paying vehicle tax because he couldn't access his account. He also couldn't make money for his business and he had people who depended on him.
- He has changed his life from activities he undertook in the past and being accused of being involved in the proceeds of crime was degrading. He had agreed to a voluntary interview with the police and they were satisfied with the information he provided.
- NatWest blocked his account a further two times, which is the subject matter of a further complaint he plans to bring. Mr S' complaint has now been passed 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 want Mr S to know I have reviewed everything he has said about what he thinks NatWest did wrong and the impact they had on him. I have referenced some of his points where I find they are relevant to my findings.

I've decided that NatWest's offer of £100 is fair compensation to resolve Mr S' complaint. I'll explain why:

- NatWest has important legal and regulatory obligations to fulfil when providing accounts. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.
- NatWest can review accounts to ensure they are abiding by their obligations, and this

can be at any time. And its common practice for firms like NatWest to block access to an account when they are carrying out a review. Firms also don't need to tell customers their reasons for reviewing accounts.

- NatWest's reasons for carrying out a review and the actions they took were carried out in line with their obligations. Mr S said he felt discriminated against and I believe that this is how he felt. If NatWest had treated him differently because of a protected characteristic he holds, this would be wrong and unfair. But I don't find the reasons behind his account being blocked related to a protected characteristic he holds. Neither do I find he was treated differently to how another customer in the same circumstances would have been treated who doesn't share his characteristics.
- Mr S is certain that NatWest agreed to make a payment in branch after he had provided them with proof of payments which had credited his account. He has been consistent on this point, and he made the same points over the phone with NatWest when he raised his complaint. So, on balance, I am inclined to believe that a staff member in branch told him the payment would go through following Mr S presenting them with information.

But I have also considered the wider information available to me, and I can see that part of NatWest's review was not contingent on any information Mr S may have given them in branch. So, I don't find NatWest had to process his payment or that they shouldn't have blocked his account because they told him the payment had been made in branch.

- I agree, however, that being told information which turned out to be incorrect was frustrating and likely caused Mr S embarrassment. He said that he had assured the payee that the payment had been made as a result of what the staff member had told him, and I have no reason to disbelieve him.

I find £100 is enough compensation here. I don't find Mr S being told incorrect information means NatWest were being deceitful. Instead the person he spoke to may have thought there wasn't going to be a problem and they were unaware what further steps other persons at NatWest were going to take or were considering taking. They could also have misunderstood what they had been told, or it's possible other person's at NatWest changed their position after further consideration.

- NatWest should conduct a review and reach a decision without undue delay. After all, the longer a customer doesn't have access to funds, the greater the financial harm they may suffer. Mr S says he suffered financial loss and distress by not being able to access his account, and I've no reason to doubt that he experienced losses. But I have reviewed the reason why Mr S' account was blocked for as long as it was, and I find NatWest progressed and completed their review without causing undue delay. So, I am not awarding Mr S compensation for the impact not being able to access his account had on him.
- Mr S says the police were satisfied with information he provided following a voluntary interview. But I don't find this shows NatWest shouldn't have blocked his account or that they should have allowed him to make the payment earlier. Mr S didn't need to be found guilty of or charged with a crime for them to block his account and conduct a review.

- I've listened to the calls Mr S had with NatWest and he was clearly unhappy he couldn't access his account, and he wanted to know more information because he hadn't done anything wrong. His concern was understandable, as not being able to access funds in your account and not being told why can be shocking and challenging to hear.

But I don't find NatWest refusing to provide any information was wrong - they had a justifiable reason not to. And, at the time Mr S spoke to NatWest, they would not have known how long their review would take or what the result of their review would be, so they didn't need to give him a timeframe. I don't find he was spoken to unprofessionally. And, I find it's unlikely some of the persons he spoke to put the phone down on him. It's more likely the calls dropped due to connection issues.

- Mr S says he has raised further complaints about problems he experienced with NatWest later on. But these complaints are not part of my considerations here, as they relate to different events taking place on different occasions.

Putting things right

Subject to Mr S accepting this decision, I direct National Westminster Bank Plc to pay him £100 to compensate for telling him that his payment had been made when in fact his account was going to be subject to further review.

My final decision

I have decided to uphold Mr S' complaint for the reasons I have given above. National Westminster Bank Plc need to put things right according to my instruction above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 July 2022.

Liam King
Ombudsman