

### **The complaint**

Mrs R and Mr T complain about the service they received from National Westminster Bank Plc ("NatWest") when they were trying to make payments towards services for their daughter's wedding.

### **What happened**

Mrs R and Mr T hold a joint current account with NatWest, for which they say they pay an annual charge.

Mrs R and Mr T were preparing for their daughter's wedding and had several payments to make to various third-party suppliers and vendors.

Mrs R attempted to make a payment of around £3,400 to a caterer. The payment was picked up by NatWest's fraud detection team and they sent a text message to Mr T requiring him to respond to confirm whether he recognised the transaction. Mr T says he did so. Mr T says the funds hadn't reached the caterer by the following day and was at risk of losing the catering for the wedding.

Mr T says he got in touch with NatWest and was transferred to their fraud detection team. Mr T says what followed felt like an interrogation where he says he was asked several questions to determine whether the transaction was genuine. He says he was also asked the same set of questions for a £100 deposit made to a makeup artist, and the artist's account had already been verified by NatWest.

Mr T was then told he would need to go to a branch and show the invoice for inspection before the payment could be processed. Mr T says it was difficult for him to find the time to go to the branch, due to his busy working day. He says NatWest ended the call and shortly afterwards he lost access to his account online.

Mr T says another payment to a marquee supplier was also stopped by NatWest – of which a deposit had previously been paid successfully to them. Mr T says he wasn't informed by NatWest the payment hadn't gone through, but was rather told by the marquee supplier.

Mr T says he had to make the payments from a third-party bank they also hold an account with.

Mr T says Mrs R also had the same issues and questions being asked by NatWest when she tried to transfer funds from their savings account to their joint current account.

After some time, some of the payments were made successfully, but some were still blocked. So, Mrs R and Mr T complained to NatWest. They believe NatWest wrongfully blocked access to their accounts. They believe NatWest's fraud team only had concerns about the payment being made to the caterer and that there were no grounds to suspect their account had been compromised, and thus full access restricted.

NatWest responded and apologised for the service Mrs R and Mr T received from them. They say that Mrs R should have been contacted and made aware of the blocks as she was the individual who attempted to make the transactions. They also say that the block applied to Mr T's online account was a mistake and should have only been applied to Mrs R's online account. NatWest say that Mr T should have been informed of the incorrect block to his account.

Mr T requested further information from NatWest around the circumstances that led NatWest to stop payments and restrict access to their accounts. But NatWest didn't share this information as they say it is commercially sensitive.

NatWest also offered a hamper as way of an apology, but Mrs R and Mr T declined it and have said they are not seeking financial compensation. NatWest say they also fed back to the agents Mrs R and Mr T spoke to in the fraud team.

Unhappy with NatWest's response, Mrs R and Mr T referred their complaint to our service. They would like addressing the restrictions that NatWest may place on their use of funds if they feel Mrs R and Mr T are paying a fraudulent invoice, despite their assertion to the contrary after NatWest has verified their identity.

Our investigator found that NatWest didn't need to take any further action. He looked into whether NatWest had done enough to put things right once they acknowledged they had made a mistake and concluded they had. He went on to explain that as a service we are unable to ask NatWest to change their processes as this role would lie with the regulator.

Mr T requested the complaint to be referred to an ombudsman. Among other things, Mr T believes that after NatWest had established his identity and confirmed his intention to pay the vendors in question, NatWest wrongfully continued to block the use of his account and required him to bring the vendor's invoice in person to a branch for inspection, before it would lift the restrictions. Mr T believes NatWest cannot have the authority to protect its customers and override their own wishes to use their funds, without a specific legal basis.

And so this complaint has been passed to me to decide on.

### **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.

Having done so, I don't think NatWest needs to do anything further and I'll explain why.

If there's something I've not 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 or argument to be able to reach what I think is a fair outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Mrs R and Mr T are customers of NatWest and would have agreed to their terms and conditions when they opened their account with them. So, my starting point are the terms and conditions. Within it, NatWest explains that they may suspend or restrict use of an account if they reasonably believe it's appropriate, in order to protect the account.

Mrs R and Mr T has questioned, among other things, why NatWest had restricted full access to the account, and not just block a specific payment they were concerned could be fraudulent and not genuine.

I accept NatWest's terms surrounding this point aren't clearly defined. In this instance and considering the facts of the case, I believe NatWest's terms suggest they can suspend or restrict use of an account if, for example, they suspect a payment not being genuine.

NatWest has explained that it is their process to apply stops to a customer's online banking facility if they suspect a scam. They say the reason for doing this is that it is a security precaution as it prevents any further potential scam payments being set up as the customer may be pressured or coerced into setting up further payments by a scammer. NatWest say that the representative Mr T had spoken to had to act on her suspicions the payment could have been a scam. While Mr T had verified his identity and confirmed the payment was genuine, NatWest say from the agent's perspective there is no way they would know if a customer was being scammed when they receive a call. So, the agent must rely on their training and also their intuition if something does not feel right with a payment.

I don't believe NatWest's actions or their response to be unreasonable here. NatWest has a duty to protect their customers and their money from fraudulent and criminal activity. However, I'm mindful that there may be occasions where NatWest may not get it right. On this occasion the payments were genuine and not a scam.

Mr T believes NatWest cannot have the authority to protect its customers and override their own wishes to use their funds, without specific legal basis. NatWest has an obligation from the regulator – the Financial Conduct Authority to ensure they protect their customers and their funds. This may mean banks such as NatWest may need to suspend access to accounts while investigations are carried out and they're able to confirm it hasn't been compromised.

NatWest has accepted they had made an error in the way they had applied their own processes on this occasion and that they hadn't restricted access to the correct customer. They say that Mrs R should have been contacted and made aware of the blocks as she was the individual who attempted to make the transactions. They also say that the block applied to Mr T's online account was a mistake and should have only been applied to Mrs R's online account. NatWest also say that Mr T should have been informed of the incorrect block to his account.

As it isn't in dispute NatWest has made a mistake, I've gone on to consider whether they had done enough to put things right and the impact this mistake has had on Mrs R and Mr T.

I sympathise with Mrs R and Mr T, as this unfortunate set of events occurred during a likely stressful, but joyous time. NatWest apologised early on, once made aware of their error by Mrs R and Mr T. I can see from internal messaging NatWest has sent, that they attempted to rectify the block placed on their account quickly and had done so within around 2 days of being aware of their error. Mrs R and Mr T were also able to make payment to their vendors through alternative means, which has somewhat lessened the impact on them.

NatWest has also given explanations, where possible as to what went wrong and why certain actions were taken by them.

NatWest were in regular contact with Mrs R and Mr T for around a month to attempt to resolve this issue with them and to provide clarity to Mr T on the further questions he had asked. NatWest apologised for their error and also offered a hamper, which was declined. I can see on occasions that Mr T has said he is not seeking financial compensation.

In this instance, I won't be asking NatWest to do anything further. While Mrs R and Mr T may not think so, I think NatWest has done enough on this occasion of attempting to put things right.

As Mrs R and Mr T aren't seeking financial compensation and I don't think NatWest are obligated to answer some of the questions they have asked it, due to it being commercially sensitive, I don't think NatWest needs to do anything further.

I appreciate this outcome will be disappointing to both Mrs R and Mr T. but I hope my independent review and decision on the matter will help to bring closure for them.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr T to accept or reject my decision before 6 October 2022.

Ronesh Amin  
**Ombudsman**