

## The complaint

Mr S complains that National Westminster Bank Plc blocked payments from his account and the service he subsequently received.

## What happened

In June 2021 Mr S initiated some payments from his account with NatWest to an account he held with another bank. These payments were initially blocked but later verified as genuine. But he says this also resulted in access to his accounts being blocked.

Mr S says NatWest's fraud system is flawed. And, to unblock his accounts, he had to attend a branch with his identification. Mr S made two visits to a branch because the branch didn't complete the identification process correctly on the first visit. Mr S explained the visits to the branch had to be made during his working hours and that he incurred travelling costs. He added that he also spent many hours on the phone trying to resolve the issues with the payments. Overall, Mr S feels the service he received was poor when trying to resolve the issue over the phone and in branch.

Mr S complained to NatWest as he felt compensation was due for what had taken place. NatWest acknowledged that when payments are blocked it can cause inconvenience to the customer. But it says it is entitled to block an attempted payment when its security systems raise fraud concerns. So, it didn't agree that it had done anything wrong in blocking Mr S' payments. It also said that - as part of the process, Mr S needed to visit a branch with proof of identification.

But it accepted that the level of service Mr S received wasn't what he had a right to expect. And, on 23 August 2021, NatWest paid Mr S £100 compensation in recognition of this. It also paid £10 to cover any travel expenses Mr S had incurred as a result of having to visit a branch and any phone calls he had made. It said it would consider further costs if Mr S submitted evidence of them.

Mr S didn't accept this outcome and brought his complaint to this service. In summary, our investigator didn't think NatWest had done anything wrong when it blocked Mr S' payments and asked Mr S to attend a branch. But she did think NatWest could have handled the process better than it did. So, she upheld Mr S' complaint and asked NatWest to pay a further £125 compensation in recognition of the distress and inconvenience caused.

Mr S didn't accept this outcome. NatWest accepted the outcome but pointed out that - in addition to the £100 compensation referred to in its final response letter, it had also paid a further £100 compensation to Mr S on 3 September 2021.

The investigator considered what both parties had said. She didn't think Mr S' further comments altered the overall outcome she had reached. She thought the £10 already paid to Mr S to cover any travel costs was fair. But, as NatWest had since shown that it had already paid Mr S £200 compensation (in total) for the distress and inconvenience caused, she said NatWest was only required to pay an additional £25 to make the total compensation £225.

Mr S didn't accept this outcome. He pointed out that he had already told this service he had received £200 compensation from NatWest and that he had referred the complaint to us after these payments had been made as he didn't think this fairly reflected the distress and inconvenience he had been caused. Mr S asked for his complaint to be passed to an ombudsman. So, his complaint has come to me to decide.

Since Mr S complained to NatWest about the blocked transactions mentioned in this complaint, Mr S has raised further concerns about another blocked payment. This is being dealt with separately by our service. Additionally, Mr S has also mentioned how NatWest handled a Subject Access Request (SAR) and he's raised concerns about how his subsequent complaint was handled. But he has also said he has referred his concerns about the SAR to the Information Commissioners Office (ICO) and our investigator has explained that this service doesn't consider issues about complaint handling as complaint handling isn't a regulated activity. So, this decision solely relates to the blocked transactions in June 2021 and the service received in that respect.

### **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 made detailed submissions in bringing this complaint to both NatWest and this service. And I'm aware that I have only summarised Mr S' concerns above. So, I'd like to assure Mr S that I have read and considered all his correspondence in full – and I've listened to the call recordings between Mr S and NatWest and the subsequent calls with this service. And I hope the fact that I do not respond in a similar detail will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made but to consider the crux of the complaint.

Having done so, I've reached the same overall conclusions as the investigator. I know Mr S will be disappointed, so I'll explain why.

I note Mr S has said that NatWest's fraud prevention system is flawed. So, I'd like to explain to Mr S that it is not within this service's remit to tell a business how to run its security procedures. It is the regulator – the Financial Conduct Authority (FCA), who have the power to instruct NatWest to make changes to its policies and procedures, if necessary.

Mr S says he has made some financial losses as a result of his payments being delayed and because he has had to take time off work to visit a branch to help resolve the issues. But 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 genuine customer wants to make. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

I've noted what Mr S has said about why he thinks the payments were blocked. But overall, I'm persuaded that NatWest had genuine concerns about the payments being made from Mr S' account. So, I've not found that NatWest did anything wrong when it blocked the payments and asked Mr S to attend a branch to verify his identity.

Therefore, it follows that I can't fairly say NatWest caused Mr S the losses he has mentioned. I can see that NatWest paid Mr S £10 to cover his costs incurred when visiting the branch. While Mr S had to return to the branch a second time, it seems this was very

shortly after his first visit and, therefore, he doesn't appear to have incurred any travelling costs twice. And I've not seen anything that would make me think Mr S' costs were more than this, so I'm satisfied the £10 payment is fair.

I do appreciate that Mr S is a genuine customer, and his transactions were legitimate. So, I accept he was caused distress and inconvenience as a result of the blocked payments. And I've listened to the calls Mr S had with NatWest and taken into account he had to return to the branch shortly after his first visit. And – like the investigator, I'm satisfied that Mr S received poor service both on the phone and in branch.

Matters of compensation for distress and inconvenience can be subjective. While an amount considered fair by one person may not be considered such by someone else. The investigator thought a total compensation payment for the distress and inconvenience caused was £225. Having thought carefully about this, I think this amount fairly reflects the distress and inconvenience caused to Mr S.

### **Putting things right**

NatWest has since shown that it has already credited Mr S' account with a total of £200 compensation in respect of this complaint (plus £10 for costs incurred when visiting the branch). So, National Westminster Bank Plc should now pay Mr S the remaining £25 as it has previously agreed to do.

### **My final decision**

My final decision is that I uphold this complaint.

National Westminster Bank Plc should now settle this complaint as set above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 February 2023.

Sandra Greene  
**Ombudsman**