

The complaint

Mr B complains that National Westminster Bank Plc caused him unnecessary stress and worry when he attempted to make a payment.

What happened

Mr B was arranging to purchase a new vehicle and had paid a small deposit towards it. The next stage of the process was to make a more substantial payment (in excess of £6,000).

When Mr B attempted to make the payment, it was blocked by NatWest's fraud detection system. Mr B spoke with NatWest about the payment and was asked a series of questions to make sure that it was legitimate. This was done in order to protect Mr B's own funds.

Mr B told NatWest that the car dealer had asked for this payment to be made prior to seeing the car. NatWest thought this was unusual and advised Mr B to wait and examine the vehicle before releasing the payment.

Mr B chose to delay the payment until he'd arrived at the dealership and it was agreed that he'd call the fraud team to go through the payment. NatWest advised that these payments would usually be very quick but could take up to two hours.

Later, Mr B arranged to collect his car and pay for it. He called NatWest from the car dealership to clear the payment. In the first call, Mr B didn't pass security but was immediately called back and the call handler was then satisfied that Mr B had passed security.

Mr B was then informed that a further series of small payments were also blocked because of the car payment still being on hold. Mr B was taken by surprise by this and was advised that unless he could satisfy NatWest about all the payments, it could be difficult to release any of them.

Mr B was asked a few specific questions about the car purchase including the registration number and some questions that he'd already answered in the earlier call. Mr B was then asked detailed questions about the other payments. One of which required Mr B to make a second call to a childhood friend who Mr B was sending a small sum of money to. Mr B's partner had to make the call whilst he was still on the phone to NatWest. Fortunately, Mr B's friend answered the phone and was able to confirm the account number and sort code to NatWest's satisfaction.

Mr B was asked other detailed questions about small payments and transfers which caused Mr B to become unhappy at the continued questioning of his accounts. NatWest continued to enquire about these payments even though the conversation was becoming more heated.

More general questions about the use of the account were asked of Mr B and various scenarios were given to him about other types of scams and whether he'd experienced certain suspicious calls or requests for information.

Eventually the call handler was satisfied with Mr B's answers and all the payments were released, including the one for his vehicle.

Mr B raised a complaint about the way he was treated by the call handler. NatWest looked into the matter and didn't agree that they'd acted inappropriately towards Mr B.

Mr B then brought his complaint to the Financial Ombudsman Service for an independent review where it was looked into by one of our investigators. They didn't think that NatWest had acted unreasonably, and Mr B's complaint wasn't upheld.

Mr B disagreed with the investigator's outcome and asked for a further review of his complaint.

Mr B wanted an apology from NatWest and the call handler. He wanted to understand what the relevance of the questions were and how the bank could act like they did. Mr B also wanted a copy of the calls.

I issued a provisional decision where I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My focus is on what I think the key issues are as our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

NatWest have an obligation to both protect Mr B's funds and to follow his instruction. This is a balance that they must constantly strive to meet. On the one hand to carry out sufficient security checks to stop Mr B from becoming a victim of fraud and the other hand to allow as streamlined a service as possible for him.

Mr B asked how NatWest could stop his payments – as I've explained they have an obligation to protect his funds, which can mean stopping the payment even though Mr B may think it's legitimate at the time. I'm sure Mr B would prefer some inconvenience if it meant that his funds were ultimately protected from fraud – but I accept there's a balance to be made here.

Mr B had had several calls with NatWest about the payment for his car and was under the impression that once he'd inspected it at the dealership, it would be a simple matter to release the funds.

The original call handler didn't specifically say this was going to happen when Mr B made the call to release his funds, just that they would process the payment when he called from the dealership.

I can understand why NatWest would want to refresh some of the detail which they hadn't covered earlier such as the registration number and how the inspection had gone. It was unfortunate that either notes about the earlier call hadn't been made or read because Mr B was asked questions that he'd already answered which would no doubt have felt unnecessary at the time.

If that was the extent of the discussion then I think Mr B probably wouldn't have made a complaint to NatWest. But Mr B wasn't told that the block on this payment would cause other payments to be blocked. He was clearly taken by surprise by this when he was at the

dealership inspecting his new vehicle.

Whilst I appreciate NatWest's concerns and they're fraud detection process, the continued questioning of the other smaller payments that had also been blocked caused Mr B some distress. Having listened to the call, it's apparent that Mr B was getting more and more upset by the questions he was being asked. I don't think that asking him to call his childhood friend who he was sending a small sum to, in order to confirm the account details was helpful. Mr B explained to the call handler that he'd had the account details for some years, so the likelihood of further fraud seemed quite low. Other smaller sums were questioned in detail which continued to cause Mr B more distress.

Whilst I'm not second-guessing NatWest's fraud detection policy, the implementation of it in this specific complaint seemed to be in excess of the situation as a whole. The payment that NatWest stopped was for a vehicle purchase, whilst the other much smaller sums, which were also blocked were for very different purposes, but they seemed to be treated with the same degree of concern.

I accept it's a question of balance and I'm sure Mr B would want NatWest to protect his account from fraud and scams, but I do think the continued questioning was excessive here and caused Mr B unnecessary distress.

Mr B hasn't sought any financial redress here, only an apology from NatWest about their approach to him. I think that's a reasonable way for NatWest to settle this complaint and it's currently what I'm intending to say in my final decision. Mr B also asked for a personal apology from the call handler – but I don't think that's appropriate here as Mr B's complaint is against NatWest and not an employee who was carrying out their instructions.

Mr B also asked for a copy of the call. He's previously been advised to approach NatWest about this and ask them for a copy – which I can only repeat here.

I invited Mr B and NatWest to give me any more evidence and information they wanted me to consider before issuing my final decision. Mr B generally accepted my provisional decision, commenting that:

- He was disappointed he wouldn't get a personal apology from the call handler.
- He remained frustrated that he hadn't been able to obtain a copy of the call.
- He still believed the call from the car showroom was just to confirm the release of the funds.

NatWest provided additional comments, summarised as:

- They didn't believe their security checks were unnecessary.
- They recognised that it was inconvenient at the time for Mr B.
- They had to be sure the payment was genuine in order to protect Mr B's funds.
- That any future payments identified by their fraud detection systems would require Mr B to answer appropriate questions.
- They were concerned that an apology would be viewed as NatWest having done something wrong.

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, and as neither party had anything further to add that would change my provisional outcome, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

I appreciate Mr B's comments about the provisional decision, but as they were essentially a repeat of what he complained about, I've already considered these points and don't need to consider them further.

NatWest's response was to ask for their additional comments to be considered before issuing the final decision and that's what I've done here. I understand and accept that their general position is that they wish to protect their customer's accounts (specifically here Mr Bs) and there may be some inconvenience while these additional checks are carried out.

But here, as I've already mentioned, I think the additional questioning of Mr B's other unrelated payments was excessive and only caused to worry and cause Mr B additional stress. I've explained my reasoning about this in the provisional decision and haven't changed my position about this.

I do think that NatWest could have better informed Mr B of the effect of the block on the other payments – he was under the impression of what was to happen when he called from the dealership, but what actually happened was quite different. I've no doubt this was the main reason for his frustration.

NatWest have concerns about being seen to be wrong because they have to provide an apology – but here I do think their approach to this specific situation was wrong, as I've explained. But, this decision is not meant to be a general assessment of NatWest's approach to fraud detection or related to any future potential fraud interventions NatWest feel they must make.

Overall, NatWest protected Mr B's funds but their approach to questioning him about unrelated payments was excessive and served to cause him unnecessary stress.

Putting things right

NatWest are required to write to Mr B and apologise for their treatment of him, but only in relation to this specific incident he's complained about.

My final decision

My final decision is that I uphold this complaint against National Westminster Bank Plc and they're instructed to settle this complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2022.

David Perry
Ombudsman