

The complaint

Mr S complains National Westminster Bank Plc (NatWest) unfairly prevented him making a payment to purchase premium savings bonds, without offering him any alternative options.

What happened

Mr S says he attempted to make an online payment for £50,000 to purchase premium savings bonds (PSB) in March 2022. Mr S says his payment was rejected so he made a further attempt which was also declined. Mr S says he then contacted NatWest and spoke to different members of staff who gave him conflicting reasons why the payment using his debit card had failed. Mr S says he then raised a complaint and visited a branch to understand why the payment was rejected, but he was told by NatWest staff they weren't sure why this was.

Mr S says he received a letter following a telephone call with the complaint's manager, but it simply informed him the payment was rejected because of fraud prevention but offered no other remedy other than to suggest he makes smaller payments. Mr S says this suggestion didn't make sense as that wouldn't prevent fraud as he had been told.

Mr S wants NatWest to allow him to make the payment and explain to him what fraud prevention policy is stopping him making a legitimate payment. Mr S would like NatWest to make him a conciliatory gesture for the complaint.

NatWest says it declined the payments Mr S attempted due to bank policy to protect itself and customers from fraud. NatWest apologised to Mr S for any conflicting information as to why the payment was declined and suggested he either made smaller payments or used telephone or online banking to make the payment.

Mr S wasn't happy with NatWest's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says under the terms and conditions of Mr S's bank account it was entitled to withhold any payment if it felt it was outside its policy and it wasn't obliged to provide an explanation to Mr S why such payments were declined. The investigator says NatWest would be expected to have security measures in place to prevent fraud.

The investigator felt NatWest had provided Mr S with alternative solutions by making smaller payments or by utilising telephone or online banking.

Mr S didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said :

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

Having done so, I will be partially upholding this complaint and I will explain how I have come

to my decision.

I can understand it would have been frustrating and upsetting for Mr S, when he attempted to make an investment into PSB's, to have his payment rejected by NatWest with no explanation or alternative solutions provided.

When looking at this complaint I will consider if NatWest could have done more to help Mr S after the payment he made had been rejected for security reasons.

The first thing to say here is NatWest under its fraud prevention policies and process aren't compelled to tell Mr S why it refused the payment he attempted to make, to invest in PSB's. It's not the role of this service to tell banks like NatWest what these checks must consist of and what payments it should or shouldn't approve. After all it's fair to say these fraud prevention measures are also in place to protect consumers like Mr S.

Where I do have an issue is with the lack of credible alternative solutions and support from NatWest after Mr S's payment had been rejected. One of the solutions it offered Mr S, was for him to make smaller payments to allow the payment to go through, but by its own admission that course of action wouldn't have necessarily guaranteed the payments success - as like any payment these could also be subject to fraud and security checks.

Furthermore, when Mr S visited the branch concerning the payment, I haven't seen any evidence to show NatWest provided Mr S with any advice or support as to how he could make the payment and I am satisfied that would have been the opportunity to have done so. For example, NatWest could have asked Mr S for further identification at that time to allow the payment to have been made in branch.

While Mr S feels the fact he subsequently made the payment by cheque and it was honoured suggests he should have been allowed to make the payment initially without checks, but I'm not fully persuaded by his argument here. I say this as I mentioned earlier, it's for NatWest to determine what payments it undertakes fraud and security checks for and it's not for me to tell it that procedure or process must change here.

So here, while NatWest have correctly applied its policy and process when dealing with payments like this, I would have expected for it to have provided Mr S with credible alternative solutions for him to make the payment once the payment had been rejected by them.

With that in mind I propose NatWest pay Mr S £200 by way of compensation for the trouble and upset it has caused.

While NatWest will be disappointed with my provisional decision, I am satisfied this is a fair outcome here.

Both Mr S and NatWest responded to my provisional decision, so the case has been passed back to me to make a final decision.

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 gave both Mr S and NatWest until 2 January 2023 to accept or reject my provisional decision. Both Mr S and NatWest have accepted the outcome of my provisional decision, so I see no need to change or alter it and so my final decision remains the same.

Putting things right

I instruct National Westminster Bank Plc to pay Mr S £200 for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint.

I instruct National Westminster Bank Plc to pay Mr S £200 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 January 2023.

Barry White
Ombudsman