

The complaint

In summary, Mr E complains that National Westminster Bank Plc (NatWest) delayed a payment he tried to make ahead of a property purchase. He says this caused him a financial loss and distress and inconvenience.

What happened

In summary:

In June 2022 Mr E tried to transfer funds from his current account with NatWest. After a payment was made using Mr E's debit card, a fraud block was placed on the account by NatWest.

Mr E complained to NatWest about the restriction placed on his account. In its response to his concerns, NatWest explained that it agreed Mr E was incorrectly told it had been the merchant declining the payment. It confirmed a restriction was placed on his debit card as a fraud prevention measure. For security reasons it couldn't explain what fraud parameters triggered the alert. After Mr E contacted NatWest, the block was removed from his account. It credited his account as reimbursement for the premium service fee of £83.88 that he had paid, and £100 for being given incorrect information.

Mr E made further submissions to NatWest. It paid him another £100 compensation in respect of the distress and inconvenience he had been caused. Mr E didn't agree with NatWest's offer, and his concerns were looked into by one of our investigators. They explained why they weren't upholding Mr E's complaint about the payment being blocked, and they said the compensation NatWest had offered in respect of the incorrect information he had been given, was in line with our guidelines.

Mr E didn't agree with the investigator's view and said his concerns were that if he had been told the account was being blocked due to fraud, he would have contacted the fraud team. The investigator explained that they had listened to the calls, and agreed it wasn't clear enough that the block had been put in place by NatWest, as opposed to the merchant he was trying to make the payment to. The compensation offered was appropriate in relation to the inconvenience he had been caused by this mistake.

Mr E asked for his case to be reviewed by an ombudsman. The investigator asked him what part of the view he was unhappy with. In response, Mr E explained in summary, that he had no further information to submit. But he wasn't happy with the assessment of the impact resulting from wrong information being given to him on multiple occasions by NatWest. In response the investigator sympathised with the issues Mr E had experienced. But they didn't think further compensation was warranted. As no agreement could be reached, the case was passed to me to review. I asked the investigator to ask Mr E to if he had any evidence about any losses he might have incurred as a result of the block placed on his account and him being provided with incorrect information.

In response Mr E explained in summary, that if he had been given correct information, he would have contacted NatWest's fraud team the same day. He would have continued to speak to the fraud team until his money had been released.

The investigator went back to Mr E and asked him to explain any direct losses he had incurred and any evidence he had in support of those. In response Mr E explained that it had been very stressful in having to deal with this issue whilst he was in another country. And he explained the difficulties of potential options open to him.

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 do understand and empathise that Mr E has been inconvenienced by his debit card payment being blocked, and by the subsequent misinformation that was given to him by NatWest. It was clearly, from what he's described, a difficult and frustrating experience for him.

Mr E appears to accept that restrictions can be placed on an account due to fraud concerns. And I understand his frustrations that he was provided with incorrect information when he first contacted NatWest to find out why the transaction had been blocked. And it's disappointing that NatWest didn't explain the correct reason why the transaction had been blocked when Mr E spoke to it.

I have to consider the impact of all of this on Mr E. I understand from what he has told us, that the misinformation provided by NatWest nearly caused him to lose out on a property purchase. But he was able to borrow money for the deposit.

I accept that the incorrect information provided by NatWest caused Mr E to focus his efforts on the merchant. But I can't see that it caused Mr E any direct financial losses. We've asked Mr E for evidence of any losses or consequential costs caused by the misinformation provided to him. Mr E has explained what costs he could have incurred, but he hasn't provided any evidence of additional costs or lending he had to take out, that directly resulted from the misinformation provided to him by NatWest. So, I don't have any evidence which shows he lost out financially.

I accept that Mr E was inconvenienced by the transaction being blocked. But as this was for fraud prevention purposes, it wasn't necessarily wrong of NatWest to have done that. And it seems to me that some of Mr E's inconvenience was as a result of the payment being blocked.

But I accept that NatWest did cause Mr E additional inconvenience as a direct result of the misinformation it gave him. In considering any award for distress and inconvenience that I am allowed to make, I need to consider the impact on Mr E of NatWest's mistakes. And I need to make it clear that I don't have the power to make any punitive monetary award against NatWest. It appears that the restrictions on Mr E's account were lifted very shortly after they had been applied. So, the impact on Mr E of NatWest's mistake was for a short period of time.

Awards for distress and inconvenience aren't an exact science. NatWest has paid Mr E a total of £200 for the inconvenience he was caused. And it's also paid him the cost of the transaction fee of £83.88 that he paid to make the payment. Taking into account what I've said above, I think the compensation payments NatWest has made, are an appropriate sum to compensate Mr E for the inconvenience caused by the incorrect information it gave him.

My final decision

National Westminster Bank Plc has already paid Mr E £283.88 to settle the complaint, and I think this payment is fair in all the circumstances.

So, my decision is that National Westminster Bank Plc doesn't need to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 31 May 2023.

Simon Dibble
Ombudsman