

The complaint

Mr A complains that National Westminster Bank Plc, unfairly blocked his accounts, which led to financial problems and caused him upset. Mr A is also unhappy about the service he received from NatWest. Mr A would like to be compensated for the trouble and upset he suffered.

What happened

The events that took place are well known to both parties and aren't in dispute. So, I'll only describe them here briefly.

Mr A had two accounts with NatWest – a current account and a savings account. In August 2023, NatWest reviewed Mr A's accounts. Whilst it reviewed the accounts it placed a block on them. The type of block applied meant all transactions in and out of the accounts, including direct debits, were stopped. NatWest removed the block from Mr A's current account in September 2023.

In mid - September 2023, NatWest were notified that a court freezing order had been taken out against Mr A that restricted the operation of Mr A's savings account until March 2024. NatWest complied with the freezing order. And continued to block Mr A's savings account.

Mr A complained to NatWest about the block of his accounts. Mr A says the block on his accounts meant direct debits went unpaid, which caused financial embarrassment and he wasn't able to provide for his family and pay his bills which impacted his mental health. He also said that when he contacted NatWest, he wasn't given much information and the bank didn't return his calls. Overall, he said that the whole experience was upsetting and worrying. So, he wants NatWest to pay him compensation.

NatWest said it hadn't done anything wrong in complying with the court order. And had blocked Mr A's accounts in order to comply with its legal and regulatory obligations. However, it accepted that the service it had provided Mr A had fallen short because it hadn't returned all of Mr A's calls after he'd rung the bank trying to find out what was happening with his accounts.

Unhappy with this response, Mr A brought his complaint to our service where one of our investigators looked into what had happened.

The investigator accepted that the restrictions on Mr A's accounts caused him difficulty in making and accepting payments. But they said NatWest hadn't done anything wrong when it had blocked Mr A's accounts and had done so in order to comply with its legal and regulatory obligations. And the freezing order issued by the court against Mr A. However, she felt that the service NatWest provided could have been better. She said that the bank didn't return Mr A's calls which led to him feeling anxious and making further calls. The investigator also said that NatWest took too long to complete its review of Mr A's current account. So, she said NatWest should pay Mr A £75 compensation for the trouble and upset he suffered.

Mr C accepted what the investigator had said. NatWest provided more information. After reviewing the information, the investigator said that NatWest hadn't caused any delays or blocked Mr A's accounts for longer than necessary. However, she was still satisfied that NatWest could have kept Mr A updated and returned his calls. So, she said NatWest should pay Mr A £25 compensation.

NatWest agreed. Mr A didn't. He said the amount of compensation offered doesn't adequately reflect the amount of trouble and upset the bank's actions caused him.

As no agreement could be reached the matter has come to me to decide.

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.

As the investigator has already explained, NatWest has extensive legal and regulatory responsibilities they must meet when providing account services to customers. These can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having reviewed all the evidence I'm satisfied that NatWest were acting in line with its legal and regulatory obligations when it restricted both of Mr A's accounts in August 2023. I understand not having access to his accounts caused Mr A inconvenience and upset, but it wouldn't be appropriate for me to award Mr A compensation for this since I don't believe NatWest acted inappropriately in taking the actions that it did when it blocked Mr A's accounts.

Whilst NatWest are entitled to restrict a customer's account, I'd expect them to do so in timely manner. Mr A's current account was blocked on 7 August 2023, and the review was completed on 25 September 2023. Given everything I've seen I can't say there were any undue delays.

NatWest continued to block Mr A's savings account after it received a freezing order from the court. I acknowledge Mr A's comments that this continued block on his account caused him anxiety and inconvenience. But NatWest owed a duty to the court to ensure the freezing order wasn't breached. I should also explain that this service has no power to review or vary an order made by the courts.

Having looked at the freezing order and reviewed all the evidence, in the circumstances, I'm satisfied that the decision for NatWest to continue to block Mr A's savings account was a reasonable one. The terms of Mr A's account also allow NatWest to block accounts. If Mr A feels the freezing order shouldn't have been made, then he needs to take that up with the police and court. So, I cannot conclude that NatWest treated Mr A unfairly when it continued to blocked his savings account.

Finally, Mr A says NatWest didn't return his calls or keep him updated about what was happening with his accounts. NatWest has accepted it should have provided better service to Mr A. I can understand that this would have been upsetting for Mr A and also led him to make further calls chasing a response from the bank. So, I am satisfied that Mr A was caused trouble and upset by NatWest's poor service.

The investigator said that NatWest should pay Mr A £25 compensation. Having looked at all the circumstances of this complaint , and how this matter impacted Mr A, I haven't found grounds to increase this. So, whilst I appreciate Mr A may not agree, I think this is fair and reasonable. So, I won't be asking NatWest to do anything more to resolve Mr A's complaint.

My final decision

For the reasons I've explained, my final decision is that I partly uphold this complaint. To put things right National Westminster Bank Plc should do the following:

- Pay Mr A £25 compensation for the trouble and upset caused by its poor communication

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 February 2024.

Sharon Kerrison
Ombudsman