

The complaint

Mr A complains that National Westminster Bank Plc (NatWest) blocked a payment.

What happened

Mr A says he tried to make a payment to a friend for his university fees on 14 December 2023. He says NatWest blocked the payment but then refused to remove it when he spoke to it. Mr A says he was humiliated by the questions asked by NatWest and was so upset could not continue working that day. He says he was on the call for about 30 minutes and says NatWest acted inappropriately.

NatWest says it acted in line with account terms and conditions by initially blocking the payment before refusing to remove the block. It says the call would have been far shorter if Mr A hadn't interrupted its staff member.

Mr A brought his complaint to us, and our investigator didn't uphold the complaint. The investigator thought NatWest was entitled to block a payment and was acting in line with agreed account terms and conditions.

Mr A doesn't accept that view and says his complaint is not about the line of questioning but the purpose and outcome. He questions the legislation used to justify what took place as well as the terms and conditions. Mr A says NatWest acted beyond its powers.

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 I have come to the overall view that I don't uphold this complaint. I appreciate Mr A's frustration with what took place and fully accept this was his money, which he is free to do what he likes with.

I am sure Mr A appreciates that fraud is a major problem for banks and building societies. And that they must have security measures in place to protect its and its customers money. That inevitably means from time-to-time legitimate transactions and customers are made subject to such security measures. But that doesn't mean a business has automatically made a mistake or acted unfairly by applying such measures in such circumstances.

I have looked carefully at Mr A's account terms and conditions which I'm satisfied he would have agreed to when the account was opened. They make clear that NatWest may, where it has security concerns, not follow a customer's instructions. There is no real dispute that is what took place here, that NatWest's systems flagged Mr A's attempted payment. And I'm satisfied NatWest was entitled to block the payment in those circumstances and acted in line with agreed account terms and conditions. It follows that I think NatWest did have the power under the terms and conditions to carry out such actions. I make that clear as Mr A questions if NatWest did have such authority.

I'm satisfied that it is the call that is the main part of this complaint and so I have listened carefully to it. I accept Mr A explained the purpose of the payment and that he knew the recipient. I also accept Mr A was able to provide details of transactions he made on his account. I appreciate the call went on for about 18 minutes and that the NatWest staff member seemed to take some time to formulate his questions. But I also think it clear that the conversation broke down and Mr A started interrupting the staff member. I also think Mr A refused to continue to answer any further questions.

In those circumstances I don't think NatWest had any reasonable alternative but to continue to block the payment. If Mr A had continued to engage with the questions and NatWest refused to allow the payment, then I think it likely the outcome here could have been different. I am satisfied Mr A told NatWest the questioning had gone "too far", which had the effect of preventing the security process continuing.

Overall, I have made clear that this was Mr A money but equally NatWest is entitled to have security measures which it fairly applied here. It follows that I can't fairly direct NatWest to do anything further in the circumstances of this complaint and make it clear to Mr A that, as we are not NatWest's regulator, we can't direct it to change its security process.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 May 2024.

David Singh
Ombudsman