

The complaint

Mr K complains that National Westminster Bank Plc declined a transaction he wanted to make and about the customer service he received.

What happened

The circumstances of this complaint are well known to both parties, so I won't repeat everything in detail. Instead, I will provide a summary and focus on giving the reasons for my decision.

Mr K attempted to make a payment via his NatWest banking app to purchase a car. But the payment was blocked by NatWest's fraud prevention system. When he spoke to NatWest, Mr K says the staff member was rude and arrogant. He says he became embarrassed by NatWest Staff member's questioning when he was in front of the seller. So, he complained.

NatWest accepted that the service Mr K received on the phone was below the standard it expects from its staff. It credited Mr K's account with £50 by way of an apology and said that feedback would be given to the staff member. Mr K didn't think this went far enough, so he referred his complaint to this service.

One of investigators looked into the complaint. Initially she thought NatWest had done enough to put things right, but on review she felt a further £50 compensation more fairly recognised the inconvenience the matter had caused Mr K.

NatWest accepted the investigator's recommendation, but Mr K didn't. He said stopping his transaction wasn't justified as he was spending his own money and the call caused embarrassment. And he asked for the complaint to be passed to an ombudsman, so the complaint has been passed 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 an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point Mr K has made, but to consider the crux of the complaint.

Having done so, while I appreciate Mr K's strength of feeling about what happened - overall, I agree with the investigator that £100 (in total) compensation is fair in all the circumstances of this complaint. I know Mr K will be disappointed, so I'll explain why.

The crux of this complaint can be broken down into two parts – Mr K's transaction being blocked and the service he received when contacting NatWest's fraud prevention team. I will deal with each part in turn.

Blocked transaction:

NatWest has important legal and regulatory obligations. One of its responsibilities is to - where possible, protect customers from falling victim to financial harm, especially fraud and scams. So, to these ends, NatWest needs to monitor accounts and occasionally review transactions.

In doing so, NatWest may need to ask questions to be satisfied about such things as (but not limited to): the source of funds held in an account, the purpose of a payment, or the nature of the relationship between a payer and payee. And it may need to freeze an account or refuse a customer's instruction to make a payment until its satisfied by the information it receives.

This is not uncommon in the retail banking industry and is set out in this terms and conditions of Mr K's account - which he would have agreed to when the account was opened. But I do understand that Mr K may not have experienced it before.

I also appreciate that, in this case, it turned out that a genuine transaction got declined and this caused Mr K some embarrassment as he and the seller of car were known to each other. But from what I've seen, at the time, NatWest wasn't satisfied - by the answers Mr K provided, that he wasn't a victim of a scam. Overall, I don't think NatWest's actions were unreasonable given all the circumstances.

Customer Service

Its clear Mr K is unhappy with the customer service he received, and I've seen that he thinks that our investigator sided with NatWest. But neither our investigator nor NatWest has disputed that the service Mr K received - in terms of the way its staff member handled the fraud prevention call, was below its normal level of customer service.

I've listened to the call which latest around 15 minutes. And while I appreciate that the staff member asked Mr K a lot of questions, I don't consider the questions or the duration of the call to be unreasonable given the call was intended to verify that the transaction Mr K was making wasn't a result of scam. But, overall, I agree with Mr K that the call wasn't handled as well as it should have been.

NatWest initially paid Mr K £50 by way of an apology, and it has since agreed to the investigator's recommendation to increase the compensation payment by a further £50 (£100 in total). It has also confirmed that feedback and further training will be provided to the staff member involved in the call.

Taking all the above into account, while I appreciate monetary compensation can't rectify what happened, I'm satisfied that the £100 (in total) fairly recognises the poor customer service Mr K experienced.

My final decision

For the reasons given above, I uphold this complaint.

National Westminster Bank Plc should now pay Mr K a further £50 (£100 in total) in recognition of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 May 2024.

Sandra Greene

Ombudsman