

The complaint

Mr C complains that National Westminster Bank Plc treated him unfairly when trying to withdraw cash in branch. He feels he was discriminated against because of his race and age. He'd like compensation and for the bank to apologise to him.

What happened

The background to this complaint is well known to both parties, so I'll cover it only briefly here. In July 2022 Mr C tried to withdraw £8,000 in cash from a NatWest branch. But instead, they asked questions about what he intended to use the money for, and about his account usage. He said he was intending to use the funds to buy a watch at auction, and to pay builders. But he couldn't provide documents to show this. The branch did not allow him to withdraw the cash.

Mr C complained to NatWest. He says he was humiliated by the way he was spoken to, and feels the bank lied to him. He felt that these questions had only been asked of him because of his age and race. The bank responded to say their staff members followed procedure, and as Mr C couldn't provide the documentation asked for the payment couldn't proceed. They said they had procedures in place to protect customers from fraud and scams and ensure the nature of the payment is legitimate.

Unhappy with this answer Mr C referred his complaint to our service. He also said he believed NatWest had backdated a copy of a final response letter sent to him in November 2022. He also felt NatWest were refusing to close his accounts.

Our investigator thought the complaint should succeed in part. They were satisfied that the bank were reasonable in asking questions about the withdrawal, and the account usage. They weren't persuaded that this was based on Mr C's age or ethnicity, but they accepted his recollections of the interactions in branch had left him hurt and upset. They also accepted the information provided about whether he could or couldn't withdraw the cash was likely confusing. But they couldn't see a reason NatWest would have backdated the final response letter. Overall, they were minded NatWest should pay Mr C £100 compensation.

This was accepted by NatWest, but Mr C disagreed. As such 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.

Mr C has raised several issues in relation to his NatWest accounts, and how he sees he's been treated unfairly. I want to assure him I've read and considered all his submissions. The rules of our service allow me to concentrate on what I feel are the key issues here. This is in line with our service's remit to resolve complaints quickly, and with the minimum of formality. So, if I've not mentioned something in particular it's not because I've failed to take it on board, but because I don't need to reach a fair outcome.

When considering this complaint, I've considered relevant legislation, industry guidance and what I consider to be good practice at the time. In relation to discrimination the primary legislation is the Equalities Act 2010 – which deals with discrimination due to protected characteristics, including age and race. But the act itself is clear that only a court can decide whether the act has been breached. This isn't a finding I can make for Mr C either way.

This is the same with the other legislation Mr C has highlighted, such as the Data Protection Act, and the Theft Act. But as part of my role, I take the legislation in to account when deciding whether NatWest have treated him fairly and reasonably.

It's right to say that NatWest, like all UK banks, have legal and regulatory requirements when providing accounts to their consumers. Broadly the relevant obligations here are to have systems and processes in place to detect and prevent fraud and financial crime, as well as notice when individuals may be falling victim to financial harm. These processes can mean that the need to ask further information to understand how an account is being used, or to better understand the nature of certain transactions. It can also mean the bank can decline to process certain transactions, if they think there is a risk of financial crime or financial harm.

In this case NatWest have said because of the value of the cash withdrawal Mr C wanted to make, they wanted to check the nature of the transaction. This is in line with their internal policies, and the broader obligations to prevent and detect potential fraud. In the circumstances, I don't see it's unreasonable that NatWest asked for further information. I don't see that he's been treated differently than any other customer in similar circumstances.

When Mr C couldn't provide any documentation on the watch purchase, or an invoice from the builders, NatWest declined to provide the withdrawal. I'm not persuaded Mr C's explanation would have allayed NatWest's concerns enough that they should have released the cash to him. I see there was a legitimate concern here about the withdrawal of that amount of money, for a purpose that couldn't be evidenced.

I'm also not persuaded that questions about the money in Mr C's account were unwarranted. As mentioned above NatWest have a duty to know their customers and understand how the account is being used. I can see as part of their internal notes, there were several factors that led to questions, including his age. But I don't see this the sole reason for the review, and I've seen nothing to suggest he was treated differently because of his age in this regard. I've reviewed the account activity up to this point, and I think NatWest were entitled to have reasonable concerns. As such asking about the account activity was in line with their legal and regulatory obligations.

After review NatWest were satisfied with the answers Mr C gave and allowed him to keep using the account. And he was able to transfer the funds to another of his accounts, so it's clear his funds were never withheld from him. I don't see that he's suffered any specific detriment from NatWest asking about the account activity.

However, I've considered what Mr C has said about his interactions with the branch staff, and how this made him feel. Obviously, there's differences in recollections about what happened here. While I don't see it unreasonable that he was asked questions about his account, this should be done professionally and fairly. Mr C's account of what happened has been largely consistent, and quite specific – such as having his phone scrolled through when trying to demonstrate where his funds came from and feeling humiliated by the way he was spoken to. It's not clear why branch staff would need to use Mr C's phone themselves and could ask him for copies of anything they felt was necessary.

Even if this wasn't the intention of the branch staff, I'm satisfied that it's more likely than not that the service Mr C received in branch fell short of a reasonable standard. On that basis I'd be minded NatWest should pay him a degree of compensation.

Mr C has said he believes NatWest backdated a copy of their final response letter, which he says he only received in November 2022. He's said he thinks this is forgery. However, I've also seen an email Mr C sent to the NatWest complaint handler in July 2022 confirming receipt of a letter. Judging by the contents of the email, I think it's more likely than not this is in reference to the final response letter. I'm satisfied it's likely Mr C had received it.

There is a day's difference in the date on the copy of the letter Mr C was sent in November. NatWest haven't been able to explain why this was. But I don't consider the contents of the letters to be considerably different. I'm not minded this has any material effect on the outcome of Mr C's complaint.

When considering the impact of the service in the NatWest branch, I'm minded that it's limited. Mr C's account wasn't blocked, and as mentioned above he could mitigate his circumstances by transferring funds out of his account. I've considered what he's said about NatWest refusing to close his accounts, but I've not seen enough to persuade me this is the case. I've also noted what he's said about the impact on his health, and the possibility of him getting mortgages. But I'm not persuaded that these are a result of the service received in branch.

Overall, I'm satisfied that an amount of £100 reasonably reflects the impact of the service in branch.

My final decision

My final decision is that National Westminster Bank Plc must pay Mr C £100 in compensation, for the reasons given above.

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

Thom Bennett
Ombudsman