

## **The complaint**

Mr A complains as a director of J, a company, that National Westminster Bank PLC unreasonably blocked a payment he wanted to make to an investment company (E), causing J to miss out on an investment opportunity.

## **What happened**

In October 2023 Mr A attempted to make an investment for J of £20,000 with E. However NatWest blocked the payment. It said that due to an increase in cryptocurrency scams and regulatory uncertainty surrounding websites that offer the facility to trade cryptocurrencies in the UK (it had) taken steps to restrict payments to that merchant until further notice

Mr A said he was not trading in cryptocurrencies, he was purchasing shares, but NatWest still blocked the payment.

Mr A complained to the Financial Ombudsman Service. He said that he had signed up to a promotion by E whereby an investment into its "Capital Guarantee Programme" was guaranteed against losses - including fees and charges. He would have kept any profit, and if the "Gainers Qtr" index had made a loss E would have reimbursed him. The offer ended whilst NatWest was still blocking his payment, so he was prevented from taking part in the promotion. He believed that NatWest had acted unreasonably and not in accordance with these terms and conditions. He required reimbursement for any losses.

NatWest also had limits for payments to cryptocurrency exchanges of £1,000 daily and £5,000 in a 30-day period. It said the £20,000 counted towards that limit despite being unsuccessful. Mr A said the restriction *"is publicised as a restriction for payments to 'cryptocurrency exchanges'". It is clearly not a "cryptocurrency exchange" as the vast majority of its products are stocks, ETFs, indices and commodities."*

Our Investigator said that NatWest had not made an error and had acted within its terms and conditions (T's and C's) so he couldn't uphold the complaint.

Mr A disputed that NatWest had acted within its T's and C's. He pointed out that E is an FCA (Financial Conduct Authority) regulated company, and that he was purchasing shares, not trading in cryptocurrencies. He didn't believe that NatWest had acted fairly in assessing that there was a high risk in making payments to E.

The matter has been passed to me for an Ombudsman's consideration.

## **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.

NatWest has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams,

and looking out for payments which might indicate the consumer is at risk of financial harm.

Here NatWest has made a policy decision that payments to cryptocurrency trading platforms (or platforms that enable both cryptocurrency and other types of investment opportunities) will be restricted because it has decided they pose too high a risk. This is mainly because crypto assets are a high-risk investment, are largely unregulated and scammers have been increasingly targeting potential investors over the last few years.

Mr A has argued that because he wasn't trading in cryptocurrency, NatWest was wrong to assess that his payment posed a risk. But E is a company that trades in cryptocurrency and I can't see any indication from the investment he proposed to make that cryptocurrency wouldn't be involved.

We do generally take the view that banks or other payment service providers are entitled to decide whether certain payments pose a risk. Thus in its terms and conditions NatWest does reserve the right to restrict payments where there is a high risk of fraud, scams or other crime. I know Mr A disputes that there was such a risk in the case of making payments to E. However I think it's reasonable to accept the bank's assessment of risk. NatWest will be in possession of all the necessary data to decide. My function is not to carry out the assessment of the risk of making payments to a particular company, rather it is to decide whether NatWest acted reasonably in deciding to restrict the payments because of the risk it assessed it posed.

Ask for NatWest's daily and monthly limits for payments to cryptocurrency exchanges, I think that E is generally listed as a cryptocurrency exchange so it would be reasonable to consider any payment made to it as coming within NatWest's limits. I would observe that those limits were first imposed in March 2023 so Mr A would have been able to research the matter before making the payment.

Finally, I don't think Mr A has shown that J made any loss by not being able to take part in the investment scheme. The scheme provided protection in the event of a loss but would have required an investment for three years. It didn't, so far as I can see, provide any higher rate of return than an ordinary investment in the scheme.

I would further add that it is the company, J that is the complainant in this case. Generally even if I were to make a finding that an error had been made, a company can't suffer distress so could not receive any compensation for any distress suffered by Mr A by not being able to make the investment.

Taking into account my above findings, I don't think that NatWest made an error and that it acted fairly and reasonably.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 2 July 2024.

Ray Lawley  
**Ombudsman**