

The complaint

Mr I makes a number of complaints about National Westminster Bank Plc (NatWest) following a payment into his account.

What happened

Mr I says his account was blocked by NatWest following a suspicious payment into his account just before Christmas 2023. He says he has no issue with the decision to block his account but with how NatWest then dealt with the problem. In summary Mr I says he made a number of telephone calls and sent e-mails to NatWest about the position he was in. He says Christmas was ruined for him and for about 13 others as he had no access to his money to host them. Mr I estimates the total loss being between £1,500 and £2,000 and says he was refused access to his money when he attended a branch.

NatWest says it had no choice but to block Mr I's account and says it is up to a branch to decide if it can release money in these circumstances. It accepts it didn't provide appropriate service for parts of the complaint and initially offered £150 as a goodwill gesture before increasing that offer to a total of £300.

Mr I brought his complaint to us and says the losses in this complaint are up to forty times greater than the £150 initially offered. He says no solution was offered by NatWest and says he was treated badly in branch. Our investigator thought the £300 offered by NatWest appropriate and that the block was removed within five days. The investigator also explained our role.

Mr I doesn't accept that view and questions what steps NatWest has taken to avoid similar problems. He says staff should be spoken to and that he has lost contact with some friends and family as a result of what took place.

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 NatWest has made a fair and reasonable compensation offer.

There is no dispute here that NatWest was entitled to block Mr I's account which is a point he accepts. I make clear that I accept the block was put in place through no fault of Mr I's and that it seems a former customer of his made a mistake. I also accept this was Mr I's money. I don't intend to say anything about the type of account Mr I has, as clearly NatWest previously told him the account was appropriate for his business. No doubt Mr I will decide what type of account is suitable for him to avoid any future issues.

I make clear to Mr I that we are not NatWest's regulator and so it's not our role to punish it for any mistake or direct it to change the way it operates. I make that clear as I can see Mr I questions what steps NatWest has taken to avoid other customers being affected by similar

issues and questions if staff training issues have been addressed. Those are not matters this decision can address and I wouldn't expect NatWest to tell us or Mr I what, if any, changes it has made, or if it has spoken to the staff involved in this dispute.

I appreciate Mr I makes a number of complaints about NatWest and what took place in December 2023. I intend to focus on what I consider the main complaint points to be.

Mr I has very fairly conceded that he takes no issue with the original decision to block his account. I think the main issue is that Mr I wanted some access to his money, which was unsurprising considering the time of year. I have no doubt Mr I was concerned about that access and that NatWest told him before Christmas that he could withdraw his wages. NatWest now accepts that the decision to refuse Mr I's request to withdraw his wages was incorrect. And I agree, the fact that Mr I is self employed should not have prevented him withdrawing money equivalent to his drawings or wages. I also think that there was sufficient money in Mr I's account to allow the £1,000 disputed payment to be ring fenced. And that NatWest branch staff ought to have considered what Mr I was told by its fraud team. It follows that I accept Mr I was caused distress and inconvenience by what took place in the branch and that NatWest ought to have acted more appropriately.

I appreciate Mr I says he made a number of calls to NatWest and sent it e-mails but I can't see that NatWest could have dealt with the complaint at that stage. And think it inevitable some inconvenience would be caused in these circumstances. I can see NatWest has offered £150 compensation for the way in which it dealt with parts of this complaint which is separate to the further offer.

I'm satisfied that the total compensation or goodwill gesture of £300 is fair and reasonable. I have not seen any evidence of actual loss, as Mr I suggests took place and, in any event, can only consider the impact of NatWest's actions on him and not others. I also can't fairly hold NatWest responsible for the lost contact between Mr I and others. I think it likely that even if NatWest had allowed Mr I to withdraw some money from his account, then there would have been an impact, as that withdrawal is likely to have been limited. I can see the investigator has provided some information about the type and amount of compensation we can order. I have considered that Mr I was unable to access his money for a relatively short time period but do accept it was Christmas. I don't think what took place justifies further compensation at the levels Mr I would like.

Overall, I recognise that Mr I is likely to be disappointed with my decision. I hope that Mr I appreciates the role we play in dealing with complaints. If Mr I decides he wishes to accept NatWest's offer of £300, then that would be in full and final settlement of this complaint. I say that as I can see Mr I has indicated he is considering an alternative course of action. This now brings an end to what we in trying to resolve this dispute informally can do.

My final decision

My final decision is that National Westminster Bank Plc has made a fair and reasonable compensation offer of £300 in total. I direct it pay Mr I the balance of the compensation if he accepts this decision.

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

David Singh
Ombudsman