

The complaint

Mr F and Mrs F complain that National Westminster Bank Plc conducted disproportionate and intrusive security checks before making a transfer to an account Mr F held with another bank.

What happened

Mr F and Mrs F attempted to make an on-line transfer to an account in Mr F's sole name with another bank he'd recently opened. A smaller payment had been made the previous day and Mr F and Mrs F expected the second payment to be processed. Unfortunately, Nat West stopped the payment pending a security check. When Mr F contacted Nat West, it completed the transfer the same day after satisfying itself there was no security risk.

Mr F and Mrs F complained to Nat West that the security questions it asked were intrusive and there were too many questions. Mr F and Mrs F said the agent who dealt with the security checks was unprofessional and unsympathetic and didn't want to raise a complaint despite being requested to do so by Mr F. Nat West didn't uphold the complaint but did pay Mr F and Mrs F £50 as a gesture of goodwill for the time they had spent on the matter.

Mr F and Mrs F brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator didn't think Nat West had done anything wrong as banks are expected to safeguard customers and themselves from fraud. The Investigator thought that Nat West's gesture of goodwill was a reasonable remedy and was fair for the way it handled things.

Mr F and Mrs F asked that an Ombudsman decides the complaint.

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.

I understand Mr F and Mrs F will be disappointed, but for very much the same reasons as our Investigator, I've decided Nat West doesn't need to do anything else. My decision focuses on the crux of the complaint; that Nat West imposed disproportionate and intrusive security checks on the payment Mr F attempted to make to an account he held with another bank. This reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Banks in the UK, like Nat West, have a duty to protect its customers from financial harm. Because of this they have monitoring systems in place to flag any potential fraudulent payments. The terms and conditions which were in place at the time of the security check refer to Nat West being able to block a payment or service to Mr F and Mrs F. Section 5 of the terms and conditions explain why Nat West may refuse to make a payment that they've been instructed to make. In this case, Nat West says it followed the correct process for a fraud check as the above payment triggered its security as a potential fraud attempt. The

process and systems Nat West uses to help it identify any potential fraud is for Nat West to decide. As the payment Mr F and Mrs F wanted to make triggered these systems, Nat West blocked the payments until further security checks were conducted to confirm it was genuine. Sometimes these checks identify and block legitimate payments that a customer wants to take place. This can cause inconvenience to a customer – but it doesn't necessarily mean Nat West acted incorrectly.

It's not within this service's remit to tell a business how they should run their security procedures, such as when to block attempted payments. It would be the role of the regulator – the Financial Conduct Authority - who has the power to instruct Nat West to amend their policies and procedures, if necessary. But I can decide whether Nat West acted reasonably in the circumstances of this complaint. I acknowledge Mr F and Mrs F have strong views in this regard, however, having listened to the call between Mr F and Nat West regarding the payment, I'm satisfied that Nat West was entitled to block the payment and that the checks it completed weren't disproportionate or intrusive. I'm persuaded the questions were designed to understand why the payment was being made, whether it was for legitimate purposes and whether Mr F had instructed the payment without being coerced.

Mr F and Mrs F said the agent for Nat West was unprofessional when he attempted to complete the security checks and that it had taken too long to complete them. Mr F felt the agent asked more questions than he needed to and made it difficult for him to make a complaint. I'm satisfied the agent completed the security checks quickly and efficiently – within 10 minutes into the call – and raised the service complaint after this had completed. When Mr F asked to raise a complaint, the agent explained to Mr F that he could do this online, or he could take the details from him. Mr F was asked if he wanted to complete the security check first and it was agreed the agent would take details of the complaint at the end of the call – which is what happened. I acknowledge Mr F felt frustrated by the length of the telephone call and the attitude of the agent, but I'm persuaded the agent took reasonable steps to resolve the security check quickly and explain Nat West's current position regarding fraud attempts that were prevalent, before taking time to raise Mr F's complaint.

My final decision

For the reasons above, I've decided that National Westminster Bank Plc doesn't need to do anything else to resolve the complaint.

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

Paul Lawton
Ombudsman