

The complaint

Mr C complains that The Royal Bank of Scotland Plc (RBS) incorrectly and unfairly blocked a payment he attempted to make.

What happened

Mr C says he paid a deposit of £1,000 via his account card for an intended van purchase in June 2023. He says he tried to transfer the remainder of the money which was about £30,000 in November 2023 but the payment was blocked by RBS. Mr C says as a result he lost the £1,000 deposit which he would like RBS to pay him. He says this was a legitimate transaction.

RBS says the deposit was made in June 2023, but the full payment was months later and to a different business. It says its security systems flagged the payment due to fraud concerns. RBS says it asked Mr C about the van, but he hadn't seen it.

Mr C brought his complaint to us, and our investigator didn't uphold it. The investigator thought RBS was entitled to apply security measures in these circumstances and where there was a difference in payment details.

Mr C doesn't accept that view and says he provided an invoice and was forced to buy a vehicle elsewhere.

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 I don't uphold this complaint.

I am sure Mr C appreciates that fraud is a major problem for banks and building societies and that they must have measures in place to protect its and its customer's money. I am satisfied that RBS makes clear in its account terms and conditions that it may block a payment if it has security or fraud concerns. So, I don't think RBS would have made a mistake or acted unfairly if it had reasonable or genuine concerns about a payment and then made a decision to block that payment.

I can see that Mr C made the deposit for the van in June 2023, but the full payment was made some months later to a different business name. So, I don't think in those circumstances RBS acted unfairly or made a mistake by blocking the payment. I think it likely the different business name and the time period would have led to reasonable concerns being raised. I appreciate Mr C says the business name is connected to the original business, but I can't see how RBS would have known that.

I would have thought that the business in question could have provided evidence to have assisted Mr C in providing to RBS to confirm the transaction was legitimate. And I also think that it was Mr C's decision to purchase a van from a different business without attempting to

provide further evidence or answer RBS's questions about the transaction.

Overall, I am satisfied RBS was entitled to block a payment in these circumstances which I am satisfied was to protect Mr C's money. It follows that I can't fairly direct RBS to pay the £1,000 compensation he would like.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 September 2024.

David Singh
Ombudsman