

The complaint

Mr H, acting in his capacity as director of a limited company (P), complains that National Westminster Bank Plc didn't contact him when it blocked a transaction from his business account. He has also complained that he lost a day's interest due to delays in internal transfers between his NatWest business accounts.

What happened

On 27 March 2024, Mr H, attempted to make transactions from P's business account. The initial transaction was for £30,000 and made to an external account. He then made ten further transactions to a business reserve account. Mr H said the transactions were showing as having left the account but as they weren't showing as being received on 28 March, Mr H contacted NatWest. NatWest explained that the payments had been blocked for additional security and that blocks were lifted from the accounts and the payment released. Mr H raised a complaint about not being contacted about the payment blocks.

NatWest issued a final response to the complaint raised. It confirmed the blocks applied to the transactions were due to fraud alerts and that it had acted in line with its policies. It didn't accept that there had been any bank error.

Mr H wasn't satisfied with NatWest's response and referred his complaint to this service.

Our investigator noted that the payments from P were blocked by NatWest due to security concerns. She referred to section 5.3 of the business account terms and conditions which explained that a payment instruction can be refused if there is concern about it being connected to a scam, fraud or other crime. Based on this she didn't think that NatWest did anything wrong by applying the block to the transactions. She understood that Mr H was complaining that he wasn't contacted about the blocked transactions and said that based on NatWest's internal records a text should have been sent. She said it wasn't clear why Mr H didn't receive this but on balance accepted it was sent.

Our investigator noted that the transactions were released the following day when they were confirmed as genuine. While she acknowledged Mr H's comment about losing a day of interest she noted that section 8.6 of the account terms said that NatWest wouldn't be liable for any losses a customer may suffer as a result of NatWest delaying a payment as long as it has done so in accordance with the account agreement. In this case, she didn't think NatWest had done anything wrong. She also noted that NatWest had paid £150 as a gesture of goodwill for a linked complaint regarding blocked transactions from this time.

Mr H responded to our investigator's view and explained that he wasn't complaining about the blocks being applied but that he wasn't contacted about this. He said that our investigator had misread the section regarding restricting payments and ignored the sections in the account terms about making contact if NatWest had concerns regarding activity on an account. He also said that he hadn't received a text about the blocked transactions even though there were no reasons why this wouldn't have been received.

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 H, in his capacity as a director of a limited company P, attempted to make transactions from his business account on 27 March 2024. The payments were blocked. NatWest is required to have fraud prevention systems in place and as the transactions were flagged by its systems, I do not find I can say it did anything wrong by applying the block to the payments until further checks had been completed. Mr H has explained that he isn't complaining about the block being applied but instead that he wasn't told this had happened.

Mr H has referred to sections 5.5 and 5.6 of the account terms which set out that NatWest will contact a customer if it has any concerns about the activity on an account or suspects that an account might be the subject of fraud or security threats. I understand why Mr H is upset as he has said he didn't receive a notification of the transactions being blocked. However, NatWest has said that following the transactions on 27 March being blocked a text message was sent to Mr H. We have requested further evidence of this given Mr H's comment that a text wasn't received, however NatWest has said that it is unable to provide a screenshot of this being sent. While I cannot say for certain whether or not a text was sent, I think on balance it more likely than not that this did happen as Mr H called NatWest's fraud department on 28 March suggesting he was aware that the transactions had been blocked. However, even if the text wasn't sent, as Mr H made contact with NatWest on 28 March and the block was removed and the transaction completed at that time, I find this resolved the issue.

I understand that Mr H wants to receive a day's worth of interest due to the delay in his transactions being processed. I do not find this is required. I say this because the issue was resolved as soon as Mr H made contact with NatWest (the day after the transactions were made) and NatWest's terms set out that it isn't liable for any losses a customer may suffer as a result of NatWest delaying a payment, providing the bank has acted in accordance with the account agreement. In this case, NatWest's fraud systems flagged the transactions and so I find it didn't do anything wrong by applying the block until further checks had taken place. I also note that NatWest has paid £150 in response to this complaint and a linked complaint.

While I understand why Mr H is frustrated by the experience he has had, taking everything into account specifically when the transactions were released and the goodwill payment made, I do not require NatWest to do anything further in response to this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 30 October 2024.

Jane Archer
Ombudsman