

## **The complaint**

Mr H complains that National Westminster Bank Plc has restricted his account and about how it has dealt with the circumstances around this.

## **What happened**

In January 2024, Mr H received a cheque in relation to an employment tribunal claim. Mr H tried to pay the cheque into his NatWest account but it didn't clear. In February 2024, NatWest restricted his account while it looked into information that another financial firm provided it. Mr H viewed these two issues as being linked and complained to NatWest about this – as he felt it was acting unfairly by restricting his account.

There were then a series of complaints made by Mr H against NatWest in response to what he views as various failings and issues in its handling of this matter and the complaints he raised against it. In summary – NatWest offered Mr H £100 in March 2024 to reflect that its customer service could have been better. But it hasn't upheld any other aspects of his complaint and so Mr H has brought his complaint to this service.

One of our investigators and then a senior investigator considered this. The senior investigator explained that the rules that we follow mean we couldn't consider certain aspects of Mr H's complaint such as:

- Issues relating directly to complaint handling
- The actions NatWest has taken on another customer's account
- A complaint that NatWest responded to in a letter dated 9 April 2024

They went on to address what they felt to be the two key questions on the complaint which is whether NatWest acted fairly when restricting Mr H's account and whether the £100 is fair for the impact of any service failings from NatWest on Mr H.

The senior investigator was satisfied that the bounced cheque and the account restriction were two separate and unrelated events. In terms of the reasons NatWest gave about why the account was restricted, these were related to it investigating a report from another financial firm and where that was the case, the senior investigator felt that it was fair for NatWest to restrict the account in line with the relevant terms.

In terms of the service NatWest provided Mr H, our senior investigator noted that he said that NatWest had failed to make reasonable adjustments for him under the Equality Act 2010 by not communicating by telephone and that it had breached the Consumer Duty introduced by the Financial Conduct Authority (FCA). But they felt that even though it hadn't given Mr H the option to communicate by phone – NatWest had nonetheless made adjustments for him, such as tailoring a relevant questionnaire by removing certain sections in light of Mr H's circumstances. They felt these steps were in line with the standards of the Consumer Duty.

They then found that there were additional delays and issues caused by some of NatWest's customer service that it hadn't recognised in its responses to Mr H. So they recommended that NatWest increase its offer of £100 to £300 in total to recognise the distress and

inconvenience caused to Mr H.

NatWest accepted this but Mr H didn't. He responded at length to explain why he didn't agree. In summary, Mr H raised issues about the financial firm that raised the concerns that NatWest investigated and explained why he felt that NatWest had unfairly restricted access to his account. He also raised wider, historical issues from 2020 onwards. The complaint was then passed to an ombudsman to decide

### **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.

Doing so here has been difficult because of the volume of Mr H's submissions to this service. He has provided a substantial amount of information to us – not of all of it relevant to this complaint. I don't doubt that he has done so because he believes it will support his position and because he feels our investigators have reached the wrong outcome on his complaint.

But I won't be addressing each and every point Mr H has raised. Our service is set up to be quick and informal and one way we do that is by deciding what we feel to be the crux of a complaint and focusing on that. I have listened to, read and considered all of the information that Mr H and NatWest have sent this service. If I don't refer to something in particular then it just means that I haven't needed to in order to reach a decision on what's fair and reasonable in the circumstances.

Our senior investigator has explained why a number of elements of Mr H's complaint aren't issues we can consider under the rules that apply to us. This includes a number of points Mr H has raised that specifically relate to how NatWest has handled his complaints – which aren't about a regulated activity under the rules.

Then Mr H has raised concerns with what it did (or didn't do) in relation to another account holder. But Mr H isn't eligible to bring this complaint as he isn't NatWest's customer in respect of the complaint – which means we can't look at this.

There are then further issues he has raised that NatWest responded to in April 2024 and which would need to be dealt with as a separate complaint.

That leaves the issues I can consider. Mr H clearly views this complaint in the context of his ongoing frustrations and concerns with NatWest - and to some extent his similar concerns with this service too. But what I need to consider here ultimately revolves around NatWest's decision to restrict Mr H's account and the actions it took (and didn't take) around this. I don't doubt that Mr H will view this as simplifying what he views to be a very complicated and multi-faceted matter. As I've explained above though, my approach here is in line with the quick and informal nature of our service.

### **Did NatWest act fairly and reasonably in restricting Mr H's account?**

The starting point for answering this question is whether NatWest was entitled to take this action. NatWest's terms for the account in question explain that it may restrict the use of an account in certain circumstances – and NatWest believed it had a reasonable basis to do so on the basis of what it had been told by another financial firm. So, I'm satisfied that NatWest was entitled to do this based on the terms of the account Mr H holds.

Mr H thinks this position is unfair because NatWest should treat him as innocent until any guilt has been proven. But NatWest received a report from another financial firm that it felt it needed to look into before continuing to provide Mr H with access to his banking services. Having considered the circumstances here, I think that's reasonable.

Mr H is sure that NatWest took this action because he reported that a cheque he received from his employer had bounced. I can, to some extent, why Mr H views these as being related – after all the timing of the two events is quite close. I've considered all Mr H has said about this, but I've seen no evidence to suggest that this was the reason that NatWest restricted his account. I'd add that I haven't seen that NatWest acted in any way incorrectly or unfairly in its handling of the cheque and the issues Mr H raised about it either. It told Mr H to raise his concerns with the issuer of the cheque which I think was reasonable in the circumstances.

So everything I have seen from NatWest supports that the reason it restricted his account was because it was acting on the information it received from another financial firm. Mr H has raised some concerns about that firm, which are outside of the scope of this complaint against NatWest. But the information I've seen shows that NatWest received a legitimate report from another firm that it was entitled to investigate and to restrict Mr H's access to his account while it did so.

Restricting Mr H's account was clearly a distressing and inconvenient experience for him. But NatWest is entitled to have taken the action it did here and while actions like these will result in unavoidable inconvenience for a customer in Mr H's position – I'm satisfied it acted fair and reasonably in taking the actions it did.

NatWest has explained that it placed a restriction on Mr H's account on 2 February 2024 and looks to remove such restrictions around 5-10 days after it has concluded any investigations. But NatWest says that it took longer than that here because it needed extra information from Mr H before it was willing to lift the restriction as it eventually did on 21 February 2024.

It does seem that there was a delay in NatWest contacting Mr H about this though. I can see that it was only on 9 February 2024 that it first made Mr H aware of the restriction on his account. NatWest has explained that this delay was due to internal factors – but I don't think those were Mr H's fault. In the circumstances, I think NatWest should have contacted him sooner. It had opportunities to let him know about the restriction during calls on 3 and 5 February 2024 for example, but didn't.

From 9 February 2024 onwards, I'm satisfied that NatWest did what it could to help and support Mr H in getting the restriction removed. It sent him the relevant questionnaire in the circumstances to get the information from Mr H that it needed.

It seems like Mr H was told by the firm that made the report to NatWest that the issue had been resolved before NatWest removed the restriction, but I haven't seen that NatWest were ever made aware of this. So as things stand, I think it's fair that NatWest removed the restriction when it did – after it had concluded its investigation into what it had been told.

It's clear this had a very serious impact on Mr H and he has told us about how this made him feel and about some of the actions he took in relation to it. I was very sorry to read and hear what he's said about this and my decision here isn't meant to read unsympathetically. But I have to be independent and impartial when reviewing a complaint and I'm satisfied that NatWest was entitled to restrict his account and that it acted fairly in doing so. So I don't think there are any further actions NatWest needs to take in respect of this.

The service NatWest provided Mr H

While I'm satisfied that NatWest acted fairly in restricting Mr H's account, there have been times in dealing with this situation where its service has fallen short of what it should have provided Mr H. I've already referred to the delay in contacting him about the restriction between 2 February and 9 February 2024. The impact of that was clearly quite significant for Mr H who told NatWest that he needed to access his account to buy food when he spoke to it on 3 February. He then spoke to NatWest again on 5 February 2024 and restated the severity of his situation.

But on neither occasion did NatWest tell him what he could do to access his wages or benefits, which was something he could have done had he been contacted sooner about the restriction. Mr H said that he had to borrow from friends and that by doing so he was able to buy food – but this was something that could have been avoided if NatWest had contacted him sooner.

In listening to that call on 5 February 2024, I also note that the call handler seems to have terminated the call somewhat prematurely. The call did become heated on both sides, but Mr H spoke about his situation and how he was feeling in a way that I think the case handler should have explored more and offered further support with.

Mr H was also told by NatWest that he couldn't raise a complaint about discrimination while it was investigating the circumstances that led to the restriction on his account. This wasn't correct and NatWest should have explained that he could have done this.

Mr H raised this as an example of NatWest discriminating against him and is also unhappy that NatWest has communicated with him using email rather than using the telephone after he told it that he has ADHD and AVPD. Mr H says that this is NatWest not making reasonable adjustments for him, in line with the Equality Act 2010 and he has also mentioned that it is a breach of the Financial Conduct Authority's Consumer Duty. As our senior investigator mentioned, our role as a service is to decide complaints based on what's fair and reasonable in the circumstances of a complaint – we can't say whether NatWest has breached the Equality Act 2010 – only a court could decide that.

In considering this, it's worth noting that NatWest has accepted that it provided Mr H with poor customer service on occasion. I've found further examples of failings that NatWest hasn't specifically mentioned in its decision to award £100 compensation too. Mr H feels that the service he has received goes beyond poor customer service and feels discriminated against. I can understand why he feels this way and I do think that NatWest hasn't quite understood how its actions have made Mr H feel.

For example, I think it would have been helpful for NatWest to have offered to speak to Mr H by phone after he told it about his ADHD and AVPD and then sent the questionnaire out. Mr H had let NatWest know about his circumstances and explained why receiving the questionnaire in this format would be a barrier for him. Mr H also mentions the Consumer Duty that says that firms should ensure that retail customers do not face unreasonable barriers when they want to make enquiries or access a benefit that a product is intended to provide.

While NatWest didn't contact Mr H by phone, it says it didn't do so as it had already received an email from him and so chose to communicate on that basis. I note that it also then made amendments to the questionnaire to make it easier for Mr H to complete – which did go some way to removing a barrier for him. So it's not that NatWest has been unwilling to make adjustments for him – even if I realise that Mr H sees those adjustments as not going far enough. Ultimately, by taking the steps it did, Mr H was able to complete the questionnaire and it resulted in the removal of the restriction.

### **Putting things right**

So overall here, I think NatWest acted fairly and reasonably in respect of its decision to restrict Mr H's access to his account. I do think it could have done more to provide a better service to Mr H though in all the circumstances around this. Having considered this, I don't think the £100 NatWest offered Mr H to date is fair. I think £300 (in total) is fair to reflect the impact the overall failings that I have referred to above had on Mr H. So it's this that NatWest should now pay to resolve this complaint.

### **My final decision**

National Westminster Bank Plc should pay Mr H £300 in total for the distress and inconvenience caused by its handling of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 17 January 2025.

James Staples  
**Ombudsman**