

The complaint

Mr G complains National Westminster Bank PLC (NatWest) blocked a payment he authorised and blocked access to his online banking, despite him explaining what the payment was for.

What happened

Mr G said he arranged a transfer of £10,000 to a family friend abroad, explaining the funds were to assist the friend's son with tuition fees. Mr G said NatWest blocked the transfer and restricted access to his online banking as it thought this transfer was related to a *'romance scam'*.

Mr G explained NatWest limited him to withdrawing £500 at a time. Mr G described how this had caused issues with him paying for important surgery, as the amount he was required to pay was too high for his debit card. Mr G provided our service with evidence of the medical procedure showing payment was required.

Mr G told our service he had known the person he was sending the funds to for 14 years, explaining the person was a nurse and they had met through neighbours. Mr G explained he had assisted this friend's son by funding the purchase of a property abroad.

Mr G told our investigator he had also made other transactions via other bank accounts he held in the UK, to his friend and her associates without issue. Mr G also explained he had purchased a second property in the UK, investing £200,000, for this same friend.

Mr G said he wanted his account unblocked and compensation, explaining NatWest has caused him embarrassment and considerable stress which had affected his health and wellbeing.

NatWest wrote a final response letter to Mr G. It explained it was concerned Mr G may have been the victim of a scam and had blocked digital access to his account in line with its terms and conditions. NatWest explained Mr G could still use his debit card and telephone banking, but it needed evidence of where the funds were going before it would consider removing the block.

Our investigator asked Mr G to send our service evidence of what the payment was for. Mr G provided a copy of the deeds for a property purchased for his friend's son, explaining this property had to be registered in the son's name as he was not allowed to own property in the country in question. Mr G didn't provide evidence, such as email exchanges or invoices, regarding the disputed payment.

Our investigator didn't recommend upholding Mr G's complaint. They explained, having considered the evidence, they thought NatWest's decision to restrict Mr G's account and require evidence of what the funds were for, was reasonable. Our investigator explained NatWest has a duty of care to protect customers from scams.

Mr G rejected our investigator's recommendation explaining he had provided sufficient information to show he was not the subject of a *'romance scam'*.

As Mr G has rejected our investigator's recommendation, his complaint has been passed to me to make a final decision.

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 appreciate how strongly Mr G feels about his complaint, and I was very sorry to hear about the ill health he has suffered recently. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

The starting position in law is banks are expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account. However, there are also obligations on banks to detect and prevent certain transactions, therefore NatWest should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams,
- have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This means there are circumstances where a bank can fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm.

Banks have to strike a difficult balance between how to detect unusual activity on an account and to also not interfere with the vast majority of perfectly normal transactions which are not fraudulent or related to scams.

In deciding what I think is fair and reasonable, I have to consider the responsibilities on NatWest. NatWest has an important legal and regulatory duty to protect customers and is therefore fully entitled to ask questions about payments to comply with these duties. It can also block or restrict accounts to comply with these duties. If NatWest is aware or suspected a scam may be occurring, it would arguably not be fulfilling its duties were it to knowingly allow a customer to fall victim to a scam.

Our service regularly deals with complaints from customers who do not think their bank protected them sufficiently when they sadly became victims to scams. Our service does often find in favour of bank's customers and can sometimes hold business liable for the funds lost. Therefore, Mr G may have had a statutory recourse against NatWest had it not intervened, and Mr G had lost money.

I have therefore considered all the circumstances here to see whether I think NatWest acted fairly and reasonably when deciding to block the transaction and ask further questions, and then maintain the block after it had spoken with Mr G.

I have listened to the relevant phone calls between Mr G and NatWest. Mr G first explained, during the call to NatWest's fraud prevention team on 16 July, the payment for £10,000 was going to his '*partner's*' son as a '*gift*'. He then elaborated they payment was to cover tuition

fees. NatWest then asked whether the payment was going directly to the son's account, Mr G replied it was. NatWest asked Mr G to confirm the name of his partner's son, Mr G then had to confirm part of this name with a third-party apparently present with Mr G.

NatWest explained the name it had for the transaction was different to the name provided. Mr G explained the payment was routing via an 'auntie' in the UK as the son had only just set up a bank account, so the auntie was sending it over. NatWest then queried why the payment was going via a third party, after Mr G had initially said the payment was going directly.

NatWest explained it wouldn't be able to approve the payment explaining it met many of the fraud and scam trends it was seeing. NatWest explained its terms and conditions allowed it to reject a payment to protect customers or prevent fraud. NatWest said the funds would go immediately back to Mr G's account. NatWest further explained funds should be sent to the person intended directly, explaining there was too much risk with sending funds via a third party and explained there were no protections with faster payments. Mr G replied 'no problem' and the call ended. NatWest did not mention a romance scam during this call.

A few days later Mr G spoke with NatWest's executive response team. Mr G repeated the funds were for his partner's son. NatWest asked how much the fees were, Mr G again had to defer to a third party apparently present with him, who advised the university fees were only £117 per year. Mr G expressed surprise at this figure, stating he had only just found out and though the fees would have been higher. He then explained how he was funding the purchase of a property for the son as renting would have cost £70,000 per year, so had decided to part fund the purchase of a new house for him costing £44,000 instead.

Mr G explained he had no evidence to corroborate what the funds were for, explaining as the transaction was to be used to part fund the purchase of the property, a deed of sale would be forthcoming after the completion of the sale. Mr G explained he would be switching bank account shortly after making sure all funds were back in his account so he could make the transaction after he had switched banks.

5.3 of NatWest's terms and conditions state it can suspend or restrict the use of customer's accounts if it reasonably believes it's appropriate to protect a customer's account, or suspects fraud.

My role isn't to make a finding as to whether I think the payment was genuine or otherwise, but whether I think, on balance, the actions of NatWest were reasonable in the circumstances at the time. I can see Mr G has since provided deeds for the property in question, which were apparently signed in early August, after the calls above.

However, I can also see Mr G first explained the transaction was a gift to his partner's son for tuition fees. He has also said the payment was to a family friend and for the purchase of a property. During the first call, he had to clarify the name of the person receiving the money and in the second call had to clarify the cost of the tuition fees with a third party, which he expressed surprise at.

In its final response, NatWest asked Mr G to provide details of where the funds were going, stating it would reconsider removing the block and allowing the payment if he provided these details. It said Mr G had the number of a named member of staff in its customer protection team who he could call with this information. I haven't seen any evidence Mr G has provided any details to NatWest as it required.

Taking this all into account, I can see why NatWest didn't remove the block after the two conversations with him. There were clearly details Mr G didn't know about the beneficiary and I am satisfied Mr G was somewhat inconsistent with the information he provided regarding the transaction.

I also accept there were some parallels with known scams which caused NatWest to hold the payment. Whilst it is possible this is coincidental; I think it is entirely reasonable for

NatWest to rely on its, and the wider industries, acquired and developing knowledge of such scams when holding payments or blocking accounts.

Having considered these obligations and the evidence, I am satisfied it was not unreasonable of NatWest to have blocked Mr G's account and asked further questions about the transaction. Usually, such questions would have allayed any concerns NatWest had about a payment and would have resulted in the accounts being unblocked. However, in this case I am reasonably persuaded the answers Mr G gave verified NatWest's concerns the flagged transaction may have been a scam and it needed more details.

Broadly speaking, I can see why NatWest thought this and don't find its actions unreasonable or unfair. I therefore do not uphold this complaint.

I appreciate Mr G will disagree with my decision, but I trust I have explained in sufficient detail why I have decided NatWest hasn't done anything wrong here. Fundamentally, NatWest were seeking to protect Mr G from being the victim of a scam as our service would expect.

My final decision

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 May 2025.

Gareth Jones
Ombudsman