

The complaint

Company T complains National Westminster Bank Plc trading as Mettle, delayed crediting its account with funds sent to it by a client from overseas.

What happened

T asked a client in Europe to pay for a service it provides. The client paid the funds from a bank in Europe by faster payments, but these funds did not arrive in T's Mettle bank account.

T contacted Mettle, it explained it was checking the funds due to regulatory responsibilities it had. T said Mettle refused to explain the checks it was undertaking and advised it could take up to 10 days for the funds to arrive in T's account. T also said Mettle explained it did not accept international transfers.

T explained it had to cover the costs of the service itself for its client whilst it waited for the funds, which arrived in T's account after six days.

T wants to know why Mettle accepted the funds if it does not accept international transfers, why is Mettle hiding behind regulations which it refuses to explain. T also wants to know why it took six days for the funds to be checked.

Mettle wrote a final response letter to T. It explained it told T it had located the payment when T first contacted it. Mettle said as the payment was from overseas it had to carry out regulatory checks before it could 'clear' the funds. Mettle confirmed this can take up to 10 working days.

Mettle also explained it was not obliged to accept faster payments which originate from overseas, explaining the originating bank used an intermediary bank in the UK which is why Mettle accepted the funds on this occasion. Mettle explained this did not excuse T from carrying out the regulatory checks it is required to do.

Mettle said it does not have to explain what the screening or checking process entails but it is acting in line with its regulatory requirements. Mettle provided a link to its FAQs regarding international payments and concluded it had not identified it had made an error and had followed its usual processes.

Our investigator didn't think Mettle needed to do anything more. They accepted it must have been frustrating for T, but didn't find Mettle had done anything wrong.

T rejected our investigator's recommendation explaining it had explained to Mettle where the funds were from and claimed to be *'treated ... like a criminal'* by Mettle. T also explained the situation was humiliating.

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 T feels about this complaint. 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.

I can understand it must have been frustrating for T not to receive the funds as quickly as it thought it would and I appreciate this may have caused embarrassment for T when dealing with his client.

In deciding what is a fair and reasonable outcome, I have firstly considered what the terms and conditions are related to Mettle accounts and overseas transfers. Mettle is an online account, so I have looked at its website. I can see under its FAQs Mettle says, under the payments section: *'Unfortunately, you aren't able to send or receive international payments. This means we can't provide you with an IBAN number [required for international payments]'*

NatWest also provides an overview of the Mettle account on its website. The sixth point on the account limitations on the front page for this account states *'no international payments'*.

I am satisfied this evidence corroborate what Mettle has said and indeed that it does not even supply IBAN numbers for international payments for Mettle customers.

T has explained it wasn't aware Mettle didn't accept international transfers and, if it had known, it would have made other arrangements for the transaction. Whilst I appreciate this may be the case, it seems clear to me Mettle doesn't offer international payments. This is a commercial decision it is entitled to make. I am persuaded Mettle provided the information on its website regarding this and I therefore do not think, on balance, it has done anything wrong here.

Dealing now with the delay to the transfer, it may help if I first describe the process for international transfers.

Banks do not always have direct business relationship with all other banks and so in some cases use an intermediary bank, or correspondent bank, when processing international payments to join up the sending and receiving banks.

It appears this is the case here, Mettle has explained as the intermediary bank was in the UK the transfer was accepted on this occasion. I can see Mettle has provided details of its operating procedure for such payments to our service, which show it is likely such payments would need additional checks with a stated timeframe for payments to be release of between 5 to 10 working days.

Moving on to the time it took Mettle to clear the payment, I appreciate T would like to know details of the checks required.

The starting position in law is a bank is 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, banks should fairly and reasonably:

- monitor accounts and any payments made or received to counter various risks, including, but not limited to, anti-money laundering, countering the financing of terrorism, and seeking to prevent 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, take 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.

Banks have to strike a difficult balance between detecting unusual activity on an account and also not interfering with the vast majority of perfectly normal transactions which are not fraudulent or related to scams. It is worth noting these checks are to protect customers from a range of scams and fraud.

Because of the confidential nature of such checks, our service accepts it is reasonable for businesses not to expose details or the methods used during them or indeed the reasons for them being triggered. For obvious security reasons, were such details to be made public, it would potentially assist fraudsters in avoiding measures in the future.

For these reasons, these details are not usually made available and are commercially sensitive. They are also commercially sensitive decisions the business is entitled to make.

I can, however, see Mettle's terms and conditions refer several times to potential checks and delays customers may incur because of the duties above. It explains in general terms the various reasons it may refuse or delay payments, so again I am satisfied these are available to customers and part of the agreement between Mettle and T.

Based on the time frames involved, the arguments given, the evidence presented and the points I have made above, I don't think on the balance of probabilities, there's enough evidence to find Mettle did anything wrong here. I appreciate T will be disappointed with my decision, but I hope I have explained in sufficient details why I have decided not to uphold this complaint.

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 T to accept or reject my decision before 15 January 2025.

Gareth Jones
Ombudsman