

## **The complaint**

Mr W complains National Westminster Bank Plc's ("NatWest") requests for information about his friend overseas and that it invoked banking protocol when it had concerns about the security of his account and refuse to lift the restrictions on his online banking and his debit card functionality.

## **What happened**

In October 2023 Mr W attempted to pay £984 by debit card to a crypto-currency dealer to try and encash some bitcoin which he'd invested £500 in in 2018. Mr W says he had lost contact with the company he'd invested in the bitcoin with but that it was now in touch again and informed him his bitcoin is now worth over 19k. NatWest's security systems flagged the payment and wouldn't process it as it believed the transaction wasn't legitimate and that Mr W was the victim of a scam and applied restrictions to Mr W's debit card and online banking.

Mr W called NatWest about this and it explained why it thought the transaction wasn't legitimate and that Mr W was the victim of a scam. During the conversation Mr W revealed that the investment broker was operating his device via remote access and that he was going to his local computer shop to put a stop to this but still believed the broker to be genuine. Mr W was asked to visit a branch of NatWest.

Mr W visited a branch of NatWest where its Customer Protection Manager highlighted the reasons they thought the investment was part of a scam but Mr W disagreed and now believed his investment was worth over £100k. Mr W also informed NatWest that he had been sending money to a friend overseas who was a former partner who he knew in person when he lived overseas. Mr W acknowledged there was an element of him being taken advantage of, but he viewed her as a friend and wanted to continue sending money to her.

Mr W asked for the restrictions to be lifted on his debit card and online banking which NatWest wouldn't do until he accepted the investment payment he wished to make was part of a scam. Mr W was unhappy with this and said he was going to move banks as a result.

Following this Mr W attempted to switch his account to another provider but wasn't able to due to the restrictions placed on his account. NatWest invoked the banking protocol and contacted the relevant authorities which resulted in Mr W receiving letters from organisations that could help and support him and a police visit where he was questioned about the nature of his transactions and informed he was probably being targeted by fraudsters. In relation to the payments to his friend romance fraud was discussed and explained, but Mr W was insistent he knew her and would continue to send money.

NatWest asked Mr W to provide ID for his friend such as a picture of her passport to confirm they were genuine and Mr W wasn't going to be the victim of a scam. Mr W refused to provide this and so NatWest wouldn't process these payments or lift the restrictions on his online banking. But NatWest removed the stop from Mr W's debit card and alerted its staff in branch to contact its Customer Protection Manager should Mr W wish to carry out any

counter withdrawals, make online payments or payments overseas so it could protect him from being scammed.

Mr W complained to NatWest about all of this, in particular he is unhappy about the service received from NatWest's Customer Protection Manager and wants a change of personnel. NatWest didn't uphold Mr W's complaint as it has a duty of care to protect its customers from the risk of scams and the restrictions placed on Mr W's account at the time were in line with the terms and conditions and although his debit card functionality was restored it won't lift the online banking restrictions until it is provided with proof confirming the recipient of the payments Mr W wishes to make is genuine. NatWest confirmed that it had also lifted the restrictions applied to him switching out his account and that if he wished to do this now, he'd need to approach the bank he wanted to switch to to start the switch process again.

Mr W was dissatisfied with this and brought his complaint to this service. Mr W says NatWest provided incorrect information to the authorities about his account in that he attempted to make a payment of £6,000 to his friend overseas and hasn't been able to use his debit card since October 2023. Mr W wants NatWest to reinstate his online banking and says his debit card functionality still isn't fully restored. Mr W wants NatWest to make changes to its customer services and compensate him.

One of our investigators looked into Mr W's concerns but didn't think NatWest had treated Mr W unfairly or had made an error when it invoked the banking protocol and contacted the relevant authorities as it has a duty of care to safeguard its customers money and had reasonable concerns Mr W would be the victim of a scam. They didn't think it unreasonable for NatWest to request further information to confirm the payments overseas were genuine or continue to apply restrictions to Mr W's online banking until it was satisfied the payments are legitimate.

Furthermore, they didn't think there was any evidence NatWest provided incorrect information to the authorities and that Mr W's statements show that his debit card for his account ending in 295 is currently in use and working.

Mr W remained dissatisfied and has asked for an ombudsman's 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.

My role is to look at problems that Mr W has experienced and see if NatWest has made a mistake or done something wrong. If it has, we seek to put - if possible - him back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

It might be helpful for me to say here that, I don't have the power to tell NatWest how it needs to run its business and I can't make NatWest change its systems or processes – such as how or when payments are processed or held for fraud prevention, the staff it employs to carry out its safeguarding processes or when it invokes banking protocol. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures NatWest needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure

Mr W understands this is needed not only to protect businesses against criminal activity, but also their customers.

Furthermore, I don't think NatWest has acted unfairly or did anything wrong in applying a stop to Mr W's debit card and restrictions to his online banking and invoked banking protocol when it had what I think are legitimate concerns about the types of payments he was trying to make. From the information I've seen the payment to the investment broker Mr W was attempting to make certainly looked like a scam and the authorities also agreed. So I don't think NatWest treated Mr W unfairly when it stopped him from making this payment and provided him with appropriate support and information about scams in circulation and informed him that he could be a target of fraudsters in the future.

And given Mr W has shown himself to be potentially vulnerable to scammers I don't think NatWest did anything wrong when it asked Mr W to provide proof that the friend he wished to make payments to was genuine before allowing the payments. I appreciated this is inconvenient and frustrating for Mr W, but I don't think the request for ID of his friend it is unreasonable in the circumstances. I understand Mr W hasn't had trouble sending payments in the past, but as scammers become more sophisticated banks have to do more to ensure it is safeguarding its customers money.

I appreciate Mr W has been both distressed and inconvenienced by all this, but the actions NatWest took is allowed under its terms and conditions and is in-line with its regulatory obligations and ultimately, it took this action to protect Mr W's interests, so I don't think NatWest have acted unreasonably or treated Mr W unfairly here.

NatWest have confirmed that the stop on Mr W's debit card has been removed and the transactions on his bank statement also confirm this to be the case and that his debit card is working. Furthermore, should Mr W still wish to move his account NatWest have confirmed he can now do this by contacting the bank he wishes to move to and start a switch again.

So this being the case I don't think there is anything left for NatWest to do and it follows that I don't uphold this complaint.

### **My final decision**

For the reasons I've explained, I've decided not to uphold Mr W's complaint against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 January 2025.

Caroline Davies  
**Ombudsman**