

The complaint

Mr J complains about the service provided by National Westminster Bank Plc ('NatWest') after it blocked two payments he sent to a credit card.

What happened

Mr J approved two payments to a credit card using the NatWest mobile banking application ('app') on his phone.

NatWest subsequently declined the payments. Mr J was concerned that it did this after he had approved the payments in-app and upset that NatWest hadn't notified him when it did this.

When Mr J complained to NatWest about what happened, NatWest didn't uphold Mr J's complaint. It said:

- his transactions were declined due to bank policy, put in place to protect both customers and the bank from harm and to meet its regulatory requirements.
- NatWest was unable to provide more details about the specific policy reason that resulted in the transactions being declined and it couldn't inform him if or when the policy would change.
- No mobile push notification is currently sent for this decline reason so NatWest has no process of informing customers when these transactions are declined.

Mr J didn't feel this was a satisfactory response and so he brought his complaint to us.

Our investigator didn't uphold the complaint. She felt that NatWest had acted correctly in line with its policy and the account terms and conditions. She said the in-app approval Mr J had relied on occurred before payment was processed by the bank's system, which is why he was able to 'approve' the payments before they were declined. So she didn't recommend that NatWest needed to take any further action.

Mr J disagreed with our investigator. He feels this isn't a fair and reasonable outcome for him. He says he understands that NatWest complied with its internal bank policy. But this left him in a vulnerable position when it didn't tell him it had blocked the payments, causing him unnecessary stress and putting his creditworthiness at risk. He would like compensation.

Mr J has asked for an ombudsman to review his complaint, so it comes to me 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.

I can understand why what's happened has been upsetting and frustrating for Mr J. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

I've only briefly summarised what seem to me to be Mr J's main concerns and my focus is on what I think are the key issues here. Our rules allow me to do this and this approach simply reflects the informal nature of our service as a free alternative to the courts.

In order to uphold Mr J's complaint and award the redress he is seeking I would have to find that NatWest made an error or acted in a way that wasn't fair and reasonable and this led to Mr J suffering financial loss or some other detriment. So I've looked at what happened with this in mind.

How businesses choose to operate and their internal processes come under the oversight of the regulator - the Financial Conduct Authority (FCA). As I understand things, Mr J now accepts that NatWest declined his payment attempts as per bank policy. So, save for confirming that I agree with what the investigator said about this aspect of Mr J's complaint, there's nothing further I can usefully add.

Nonetheless, NatWest still needed to act in a fair and reasonable way towards Mr J. I've thought carefully about this.

NatWest's business terms covered this situation and Mr J would've signed up to the account terms and conditions in order to be able to use the account.

NatWest explained that before the payments came through for approval, Mr J had needed to input payment details and authenticate the transactions via the mobile app. NatWest hadn't been able to apply its policy and approve the payments until after he'd done this. So whilst I appreciate that Mr J had assumed the payments were approved when he had authorised them, I can't fairly say that NatWest acted unreasonably when it applied bank policy and declined these at the first opportunity it had to do so.

NatWest has explained it didn't have a policy or any system in place that would have enabled notification to be sent to Mr J when it declined the payments. As mentioned above, NatWest was operating its internal system in line with its policy and we have no power to tell a financial business how it should deal with declined payments in these circumstances. When Mr J contacted NatWest to enquire about what happened, it straightaway told him the correct reason why his payments had been rejected. So I am satisfied that NatWest informed Mr J about what happened as soon as he enquired.

I'm sorry that this was such an upsetting experience for Mr J overall. I can completely understand that this was a frustrating thing to happen when time was short and he wanted to ensure the payments were made to avoid large interest payments accruing on his credit card.

But I haven't seen enough to be able to uphold his complaint and award the compensation Mr J would like me to. Banks have an obligation to take steps to keep customers' accounts and money safe. Sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly or unfairly.

And in the event, Mr J checked his credit card account himself and was able to make alternative online payment arrangements before the payment deadline. Even if I were satisfied that I'd seen enough to be able to uphold Mr J's complaint, he hasn't shown me that

he's out of pocket as a result of NatWest's actions. I haven't been provided with anything to show that, despite his concerns about the potential impact on his credit file, what happened has had any adverse impact on Mr J's creditworthiness. And I can't award compensation for hypothetical issues as it's not within the remit of this service to do so. So I wouldn't be able to award him any financial redress in these circumstances.

I appreciate that my decision will be disappointing for Mr J but I hope that setting things out as I've done helps him to understand how I've reached my conclusions.

My final decision

My final decision is that I don't uphold Mr J's complaint.

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

Susan Webb
Ombudsman