

The complaint

Mrs C is unhappy that National Westminster Bank Plc (“NatWest”) stopped a payment for further checks after she had already authorised the payment.

What happened

Mrs C was holidaying overseas and on 25 March 2024 she called NatWest to instruct a payment of £1,014 be made from her account to a plumbing company who were working on her bathroom. The NatWest agent that Mrs C spoke with conducted several security checks with Mrs C about the payment before confirming to Mrs C that the payment had been made.

However, the following day, while still overseas, Mrs C received a message from NatWest asking her to contact them, and she then discovered that the payment she’d been told had been made to the plumbing company had been stopped for further checks. Mrs C was asked to verify and authorise the payment, but unfortunately didn’t pass the required security checks with NatWest at that time to do so. This meant that payment was cancelled, and restrictions were placed on Mrs C’s account until she could visit a NatWest branch.

When Mrs C returned to the UK, she found that she couldn’t withdraw any money from her NatWest account. This meant that Mrs C had to make a lengthy walk from her local train station with her luggage alone at night. Mrs C wasn’t happy about this, or that the payment had been blocked by NatWest in the first instance. So, she raised a complaint.

NatWest responded to Mrs C but didn’t feel that they’d done anything wrong by blocking the payment for further checks or by cancelling the payment and restricting Mrs C’s account when she wasn’t able to verify and authorise the payment to their satisfaction. However,

NatWest did apologise to Mrs C for any trouble or upset that their following the correct process had caused her, and they sent her a gift hamper as a gesture of goodwill. Mrs C wasn’t satisfied with NatWest’s response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel NatWest had acted unfairly as Mrs C contended. Mrs C didn’t agree with the view of this complaint put forward by our investigator, so the matter was escalated to an ombudsman for 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 issued a provisional decision on this complaint on 20 December 2024 as follows:

I’ve listened to a recording of the telephone call that took place on 25 March when Mrs C first instructed the payment in question. On that call, Mrs C passed NatWest’s security protocols, including providing characters from her passcode, and provided the following information to NatWest:

- Mrs C was making a deposit payment for a new bathroom to a new payee – a plumbing company.
- Mrs C provided the bank account details for the plumbing company – which were then verified by NatWest's agent.
- Mrs C explained that she would like the payee to be kept on record, as she would need to pay the remaining balance upon completion of the work.
- Mrs C asked for her invoice number with the plumbing company to be included as a reference on the payment.
- Mrs C answered several detailed questions put forward by NatWest's agent which highlighted the risk of a potential scam. And Mrs C confirmed that she was satisfied that she was not being scammed at that time.
- Mrs C provided a time-sensitive passcode which NatWest's agent texted to her mobile phone.

In consideration of the above, I asked NatWest what further information they required from Mrs C to verify and authorise the payment, and why they felt that such further information was required. I also asked NatWest why the information Mrs C had provided in the 25 March call wasn't taken into consideration when the payment was blocked the following day, and why NatWest felt the payment to the plumbing company (which has a notable online presence and is registered with Companies House) might be fraudulent or a scam?

NatWest initially responded to my questions by refusing to answer them, stating that they had no obligation to provide that information to this service and that doing so would constitute a potential security risk. Then, when I pressed NatWest on this matter, they said that there was no available information as to why the payment had been flagged, other than that it had been flagged. And NatWest still didn't answer my question as to what further information they required from Mrs C beyond that which she had already provided to them on 25 March.

I'm sure that NatWest will understand, given the inconsistent and incomplete nature of their responses to my questions, why I'm not convinced that there was reasonable grounds for them to have felt that a risk of fraud or a scam might have been occurring here, such that their duty to process Mrs C's payment instruction was superseded.

Accordingly, because of this, my provisional decision here is that I uphold this complaint in Mrs C's favour. And I've moved to consider whether NatWest should be instructed to pay compensation to Mrs C for what happened, and if so, to what amount.

When considering the issue of compensation, I've thought about the impact of what happened on Mrs C, including the trouble and frustration that she incurred while overseas in having to speak with NatWest, and when she returned to the UK. Additionally, I've considered whether Mrs C could reasonably have taken any action to mitigate against the impact of what happened on her. And I've also taken into account the general framework that this service uses when assessing compensation amounts, details of which are available on this service's website.

Having taken all these factors into consideration, I'm provisionally instructing NatWest to pay £150 compensation to Mrs C. This is because I feel that Mrs C was unfairly impacted by what happened. But I also feel that NatWest did provide a viable option to Mrs C to provide a copy of her passport to them while overseas that would have mitigated the difficulties Mrs C experienced when returning to the UK. And I don't accept Mrs C's position that it was unreasonable to have expected her to find a quiet place to provide her passport to NatWest during her holiday.

Finally, I note Mrs C's dissatisfaction that phone calls that she had with NatWest cut off and

that callbacks she was promised weren't made. However, NatWest have demonstrated that they did try to call Mrs C back, but that they were unable to establish a connection to her phone and that messages were left on her answering service. As such, I feel that difficulties experienced in this regard were an unfortunate consequence of Mrs C being abroad, and therefore not something for which I consider holding NatWest accountable.

In summary, I'm not convinced that it was fair or reasonable for NatWest to have not processed Mrs C's payment instruction, given the detailed information that Mrs C provided to NatWest when she made the instruction. And because of this my provisional decision is that I uphold this complaint and instruct NatWest to pay £150 to Mrs C.

Both Mrs C and NatWest responded to my provisional decision and confirmed that they were in acceptance of it. As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Mrs C's favour on the basis described above. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

NatWest must make a payment of £150 to Mrs C.

My final decision

My final decision is that I uphold this complaint against National Westminster Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 4 February 2025.

Paul Cooper
Ombudsman