

## **The complaint**

Mr W brings this complaint on behalf of A, a limited company. Mr W is a director for A.

A complains National Westminster Bank Plc unfairly blocked its business account, causing it financial loss, as well as personal losses to Mr W and others.

## **What happened**

What follows repeats the background I set out in my provisional decision.

On three occasions in June 2024 NatWest blocked A's business current account to carry out checks in relation to transactional activity on the account. They unblocked the account on each occasion within 24 hours. They say they did so in line with their regulatory and legal obligations.

Mr W says A was unable to open for business on the first occasion as he couldn't purchase stock, which also impacted how long A could stay open on subsequent occasions, as well as the payment of bills and staff payments. He also says it affected his ability to pay personal financial liabilities, and seriously impacted his wellbeing which I was very sorry to hear about.

As a gesture of goodwill NatWest agreed to credit A with £120 towards staffing costs for when its account was first blocked. Mr W remained dissatisfied and brought A's complaint to our service.

Our investigator upheld A's complaint. They said:

- NatWest hadn't justified their reasons for blocking A's account, so as things stood their decision was unfair.
- Mr W hadn't satisfactorily evidenced the financial losses he says A experienced.
- They couldn't make an award for the losses Mr W experienced personally as he wasn't the eligible complainant – only A is.
- A was likely caused some inconvenience when the blocks occurred, and £100 was fair to put this right.

NatWest responded and said they felt they had justified their reasons for blocking the account, but to resolve matters they were prepared to agree to pay Mr W £100. Mr W rejected the outcome, so as no informal resolution was agreed A's complaint was passed to me to make a final decision.

I asked Mr W for further information to ensure A's complaint fell within our jurisdiction which he provided. Since this time, I have also received further information that relates to

NatWest's reasons for blocking A's account.

I issued a provisional decision and decided not to uphold A's complaint. I found:

"NatWest has important legal and regulatory obligations to meet when providing accounts to customers. As part of those obligations, they may take steps to check activity on an account and it's common industry practice to restrict the use of an account to carry a review.

Having their account blocked understandably causes customers' concern and can potentially lead to losses. But this doesn't necessarily mean blocking an account is wrong.

While the reasons for blocking an account are often commercially sensitive and won't be revealed to a customer, firms including NatWest do need to provide their reasons and evidence to our service so we can investigate whether they acted fairly.

When our investigator reached their view on A's complaint, they concluded NatWest hadn't provided sufficient evidence to establish that the blocks on A's account were fair. But since this time, I have received further information, related to the basis for NatWest's review, which I find establishes NatWest had legitimate reasons to carry out the checks they did and block A's account while they did so.

Mr W may understandably want to know what this information is, but I have accepted it in confidence, which is something I am able to do where appropriate under the Dispute Resolution Rules (DISP) which are part of the Financial Conduct Authority's handbook and which set out our service's powers, including those related to information and evidence. The relevant rule here is DISP 3.5.9R (2).

A description of the information I have accepted is it relates to Mr W and his business and establishes the basis for NatWest reviewing A's account more frequently in June 2024. I find the information reliable and in turn I don't find it was unreasonable for NatWest to carry out the checks it did and to block A's account temporarily. I find they were acting in line with their legal and regulatory obligations in relation to providing A with an account.

I appreciate A may have experienced financial loss and inconvenience in the way Mr W describes. But as I find NatWest have justified their reasons for blocking A's account, I don't find they have done something wrong for which A should be compensated."

Since this time NatWest responded to say they agreed with my provisional decision, but A did not respond. As the deadline for further submissions has now passed, I have gone on to make my 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've decided not to uphold A's complaint for the same reasons I gave in my provisional decision, which are copied above and now form my reasons for this final decision. I am satisfied NatWest were justified in blocking A's account, so I do not require them to pay A compensation.

**My final decision**

My final decision is I do not uphold A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 19 March 2025.

Liam King  
**Ombudsman**