

## **The complaint**

D, a limited company, complains that National Westminster Bank Public Limited Company closed their accounts and returned funds to the original sender. They'd like the funds returned to them.

D are represented by their director, Mr K.

## **What happened**

In May 2024 Mr K says a person I'll refer to as J contacted them to purchase gold. Mr K says J had bought from D previously, so arranged for the gold to be purchased from a supplier. In total J sent D £602,102 over ten transactions. But it was later reported by the sending bank that J had been the victim of fraud.

NatWest restricted D's account and prevented any further payments, while this was investigated. D's account was later subject to a freezing order from the police. In August 2024 NatWest wrote to D to say that the account would be closed. NatWest returned just over £265,000 to J, and later issued a cheque to D for the remaining account balance of £11,810.28.

Mr K complained on behalf of D, arguing that NatWest had returned more than expected, and he believed that there should be an additional £47,000. NatWest responded to say that the funds returned were all that remained in D's account at the time of closure.

Dissatisfied with this answer Mr K referred D's complaint to our service. One of our investigators looked into what happened, but didn't think the bank had made a mistake in blocking and subsequently closing D's account. She also didn't think the value of the funds returned was incorrect. She didn't ask the bank to do anything further.

Mr K disagreed. As no agreement could be reached the complaint has been passed 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.

It's right to say that NatWest, like all bank and regulated financial services in the UK, have to meet strict legal and regulatory obligations when providing accounts to their customers. These obligations can broadly be described as a duty to monitor accounts and payment activity, and proactively take steps to identify and prevent fraud and financial harm.

In this case Mr K is aware that J was reportedly the victim of a scam when sending a considerable sum of money to D. I don't see that it's unreasonable that NatWest took steps to block D's account to investigate what happened further – there is provision for this in the terms of the account. And it's right that banks treat such allegations seriously and be given time to investigate.

After investigation NatWest took the decision to close D's account. I've considered Mr K's explanation for the funds received, and his position that he spoke to the bank and police before receiving the funds. Our service can treat certain evidence as confidential, such as if it contains information about third parties, or security procedures. In this case NatWest have supplied further information about the closure decision. Having considered this carefully, I'm satisfied it's appropriate that this evidence remain confidential. So, I'm sorry to Mr K that I won't be detailing it in full here. But having considered everything provided by both parties, I'm not persuaded NatWest's decision was unreasonable.

The general expectation under guidance for firms who are in receipt of fraudulent funds is that they should be returned to the sender. There are certain caveats, for example where their recipient has a legitimate claim to the funds. Here Mr K has argued that NatWest have returned too much, and approximately £47,000 belongs to D.

Of the amounts J sent, £220,000 was not passed on to a gold dealer, so Mr K has said he's happy for this to be refunded. But there was approximately £47,000 that he feels belongs to D.

But the fact is D's account received considerably more than this from J. The amounts are more than I can see the account had received previously. Based on the information available to me this would represent almost half of the turnover of D in one year, in only around two weeks. I see that this ought to reasonably have prompted some reasonable concern from D about the activity. But the transactions still continued, and from what Mr K has submitted it appears that D was still trying to complete the final transaction with the gold merchant after the account had been restricted. So, I'm satisfied that NatWest are reasonable in having concerns about the funds held within the account, and D's claim to them.

Overall, I'm not persuaded that it was unreasonable for NatWest to return the amount they did. And given the nature of their concerns around the activity on D's account it wouldn't be appropriate for me to direct them to return anything further to D.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 3 June 2025.

Thom Bennett  
**Ombudsman**