

The complaint

Mr F has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ("NatWest") blocked a payment, that he made via a third-party payment provider.

Mr F says that he was unable to buy CDs at a reduced price as a result of NatWest blocking his payment.

What happened

On 31 January 2025, Mr F attempted to purchase two CDs - using a third-party payment provider - that were on sale on a social media platform. However, when Mr F went to make the payment, the payment was blocked by NatWest. Unhappy with this, Mr F complained to NatWest.

NatWest issued its final response on the following day and didn't uphold the complaint. In summary it said that the payment had been blocked as its systems had identified the payment as being potentially suspicious.

After Mr F referred his complaint to this service, one of our investigators assessed the complaint and they too didn't uphold the complaint.

As Mr F didn't accept the investigator's assessment, the matter was referred to be reviewed by an ombudsman.

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.

Having considered everything, I don't uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

I can see that being unable to purchase the two CDs, at a discounted price, was very frustrating for Mr F. And in broad terms, the starting position at law is banks are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, NatWest was also required to:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by

maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;

In addition to the above, the account terms and conditions say that NatWest can delay or block a transaction if NatWest suspects that Mr F didn't authorise the payment or if it suspects the payment is connected to a scam or fraud.

So given all of the above, I'm satisfied that NatWest is able to block a payment, if it has reasonable suspicions that a payment could be connected to a scam or fraud.

Mr F says that there was no risk of fraud, and that he just buying a couple of CDs. But of course, NatWest won't have known that – it won't have known what Mr F was purchasing or whether the seller was legitimate or not at the point the block was applied to the transaction. All it could go on, to determine if there was a risk of the payment being linked to a fraud or scam, was the data its fraud detection systems gather from many thousands of transactions that it processes.

I can understand why Mr F wanted the specific reasons why NatWest's fraud detection system automatically blocked the payment, as the transactions were for relatively small amounts. But given that the automated decision to do so is based on data analysis of vast quantities of transactions, I can understand why the NatWest staff may not have been able to provide Mr F with specifics. I also think that NatWest's point - that releasing detailed information about what could trigger a fraud block - could lead to its fraud detection systems being circumvented by fraudsters and scammers, is a valid one.

Therefore, whilst I can appreciate why Mr F wanted details on the reason why his payment was blocked, at the same time I can't say that NatWest was being unreasonable in not giving that information. Ultimately NatWest is required to look out for suspicious transactions on its customers' accounts, and take proportionate steps to limit loss to its customers in such circumstances. And I am satisfied that it tried to do that in this instance. And once the block was applied, I'm satisfied that NatWest responded to Mr F within a reasonably short space of time. This seems fair given that Mr F may've wanted to have tried to make the payment again, once NatWest was satisfied that it was a legitimate payment.

So taking everything into account, I'm unable to say that NatWest has acted unfairly or unreasonably here.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 28 July 2025.

Thomas White
Ombudsman