The complaint

Mr B and Ms P complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) blocked their personal bank account after it had been notified of a fraud claim from a third party. Mr B and Ms P say that they were unable to access the funds over the holiday period.

What happened

Mr B received £197 and £170 from a third party for whom Mr B did some work. The third party paid the funds into Mr B and Ms P's personal account. When the third party asked for the funds to be returned, they said Mr B didn't return the funds. The third party then contacted their own bank who advised NatWest of a potential fraud claim. NatWest then blocked Mr B and Ms P's account on 27 December 2025 while the matter was investigated.

NatWest contacted Mr B and discussed the payments from the third party. Mr B confirmed the payments were for work he'd carried out for the third party and was able to answer NatWest's queries. On 30 December 2024 NatWest lifted the block.

Mr B and Ms P were unhappy with the block saying it impacted them over the festive period. Mr B was also unhappy that NatWest wouldn't speak to him over the phone and he needed to email it to resolve the issue. Mr B says NatWest failed to make reasonable adjustments for him and this had an impact on his mental health. Mr B and Ms P were also unhappy with how NatWest handled their complaint.

NatWest considered Mr B and Ms P's complaint but didn't uphold most of it – it said the block had been placed in line with its policy. It also said it couldn't find any notification from Mr B and Ms P about any needs or reasonable adjustments Mr B required when contacting it – so again it felt it hadn't treated Mr B unfairly. NatWest did uphold the complaint about how it handled Mr B and Ms P's complaint and offered £150 in compensation for the distress and inconvenience caused.

Mr B and Ms P remained unhappy so referred the complaint to our service. They didn't think NatWest acted fairly and hadn't taken Mr B's needs into consideration when dealing with the block on his account. They also weren't satisfied with how NatWest had handled their complaint about the issue.

One of our Investigators looked into things. The Investigator thought that the actions taken by NatWest were reasonable and although this was inconvenient to Mr B and Ms P they believed NatWest acted accordingly. They didn't feel NatWest were unfair in how it dealt with Mr B as there wasn't evidence that NatWest were aware of Mr Bs needs. They also advised that they couldn't comment on how NatWest handled Mr B and Ms P's complaint as it didn't fall in the remit of our service. As Mr B and Ms P didn't agree with the Investigator the case 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.

I've carefully read all of the correspondence sent to this Service. That being said, my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the heart of the matter, rather than considering every issue in turn.

It's accepted there's been a dispute between Mr B and a third party and both Mr B and NatWest are fully aware of the details of this dispute. This is clearly a civil matter so I won't be commenting on the specifics of the dispute, but instead I will focus on whether or not the actions NatWest took were reasonable in the circumstances of this case.

It might be helpful for me to say here that, I don't have the power to tell NatWest how it needs to run its business, and I can't make NatWest change its systems or processes – such as how or when fraud prevention checks are deemed necessary regarding payments going in and out of an account. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures NatWest needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on payments that were received but subsequently disputed - to ensure the transactions are legitimate and it meets its regulatory requirements.

NatWest has provided evidence to show that Mr B and Ms P's personal account was blocked at the end of December 2024, after it received a notification that a payment made to Mr B was alleged to be fraudulent by the third party. I don't think it was unreasonable for NatWest to place a block on the account while the matter was being investigated.

The block was placed on their account on 27 December 2024 but soon after placing the block NatWest was able to communicate with Mr B to investigate the fraud allegations made by the third party. I'm satisfied that placing the block on the account was appropriate – I say this because NatWest has a duty to ensure that any fraud allegations made to them are investigated and any potential funds protected.

Mr B and Ms P's account had a balance of £24.91 and as the amount disputed was significantly more, I think it was reasonable of NatWest to block the account while it investigated. Mr B says the block prevented him receiving funds he was expecting into the account, but NatWest have confirmed that the block placed on the account wouldn't have prevented any payment into the account. And I haven't seen any evidence to show me any payments into the account were attempted.

Following contact with Mr B, NatWest unblocked the account on 30 December 2024, so I feel NatWest acted promptly to deal with the issue. I appreciate Mr B and Ms P feel this was very inconvenient and I don't doubt it was for them. But I can't say this was caused by NatWest as it didn't make the fraud allegation, that was the third party. And I'm satisfied that NatWest took reasonable steps to swiftly deal with the issue.

Mr B also complained about the way in which he was treated when he tried to resolve the issue. He's told us that NatWest didn't take into account any adjustments it needed to make for him due to his health conditions. He says he would have preferred to speak to the relevant team at NatWest over the phone.

NatWest has said the team that handled these types of investigations generally do this via email and so asked Mr B to contact them in this way. But it has said it could have arranged for the team to speak to Mr B on the phone, but it hadn't been made aware of any adjustments it may need to make for Mr B.

Mr B says he previously let NatWest know of his needs so felt NatWest should have dealt with him accordingly. I've not seen any evidence that NatWest were previously or at the time of the block made aware of Mr B's needs – NatWest also managed to deal with the issue promptly and accordingly I can't say they acted unfairly in how it dealt with Mr B to resolve the issue.

Mr B and Ms P have also raised several concerns about how their complaint about the block was handled. NatWest has acknowledged some of the concerns and how it could have dealt with things better, so it offered Mr B and Ms P £150 for the distress and inconvenience caused.

But our investigator explained that this service doesn't have the remit to look into complaints that are just about complaint handling. The FCA says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. So I'm unable to comment on how NatWest have handled Mr B and Ms P's complaint and its up to them if they wish to accept the offer made to them by NatWest on this issue.

I appreciate Mr B and Ms P have been both distressed and inconvenienced by this, but the actions NatWest took is in-line with its regulatory obligations and ultimately, it took this action to keep customers' money safe, so I don't think NatWest has acted unreasonably or treated Mr B and Ms P unfairly here.

My final decision

For the reasons mentioned above, I don't uphold Mr B and Ms P's complaint about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Ms P to accept or reject my decision before 29 August 2025.

Jag Dhuphar
Ombudsman