DRN-5747126

The complaint

Mr R complained about the service provided by NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') when it declined payments he wanted to make and blocked his account access until he completed further security checks.

What happened

In February 2025, when Mr R tried to make transfers from his NatWest account to his account at another bank, NatWest blocked attempted payments and suspended Mr R's online banking.

NatWest told Mr R that it was required to carry out fraud checks to help keep his account safe and it had acted in line with the account terms and conditions. It said call handlers had followed the necessary protocols to address fraud concerns when Mr R spoke with the fraud team. But NatWest agreed that he'd been inconvenienced by having to spend extended times on hold and offered him £50 compensation.

Further correspondence followed. NatWest didn't agree it had done anything wrong when it blocked Mr R's attempted transactions and his online access. But, realising that the £50 offered previously hadn't been paid, NatWest paid Mr R £100 compensation to reflect shortcomings in the service it provided.

Mr R felt this was unreasonable and that more compensation was due for what happened.

Our investigator thought that NatWest had provided a reasonable explanation for what happened and £100 compensation was fair and reasonable.

Mr R disagreed with the investigator's view. He sent in detailed representations setting out his concerns, which I've briefly summarised here:

- NatWest's actions caused him foreseeable loss based on his known transaction history.
- He'd regularly transferred funds for similar purchases.
- He lost out here when he was unable to buy a planned purchase before it sold out and re-sale values went up significantly.
- NatWest didn't handle his complaint in line with regulatory requirements and we should take this into account.

Mr R asked for an ombudsman to review his complaint, so it 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.

Having done so, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

I've only briefly summarised what seem to me to be Mr R's main concerns and my focus is on what I think are the key issues here. Our rules allow me to do this and this approach simply reflects the informal nature of our service as a free alternative to the courts.

In order to uphold Mr R's complaint and award the redress he is seeking I would have to find that NatWest made an error or acted in a way that wasn't fair and reasonable and this led to Mr R suffering financial loss or some other detriment which it hasn't done enough to put right. So I've looked at what happened with this in mind.

NatWest has legal requirements it must observe and regulatory obligations imposed by the Financial Conduct Authority ('FCA'). This means that NatWest must have processes in place and take reasonable steps to keep customers' money safe. How businesses choose to operate and their internal processes come under the oversight of the FCA. So it's not up to me to tell NatWest how it should implement anti-fraud measures. Nonetheless, NatWest still needed to act in a fair and reasonable way towards Mr R. I've thought carefully about this.

NatWest couldn't simply rely on Mr R approving the proposed transfers. It makes no difference that he'd done this many times previously – or that he told us: '*...NatWest were previously informed of these disruptions and acknowledged them as unnecessary'.* NatWest's fraud prevention system identified the need for checks before Mr R's payment could be authorised and restricted his account access until he completed further verification and re-enrolled for online banking when it had reason to be concerned about unauthorised remote access to his account.

The relevant account terms and conditions, which Mr R would've agreed to in order to be able to use his account, allowed NatWest to take this action in these circumstances.

When balancing the obligation to keep customers' accounts and money safe against the duty to carry out a customer's lawful instructions, sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – especially when, as happened to Mr R, the payment was held up and his account was blocked a second time. But it doesn't necessarily mean the bank has acted incorrectly or unfairly. I am sorry that this was such a frustrating experience for Mr R overall and that he might have missed a chance to make a trading profit. But I haven't seen enough to be able to uphold his complaint and award the compensation Mr R would like me to. NatWest's actions were prompted by valid concerns when its system highlighted the need for further security checks and it acted promptly to restore Mr R's account access when it was able to be satisfied that his money wasn't being put at risk. So I consider that NatWest acted fairly and reasonably when it took the actions it did to block Mr R's attempted transfers and stop his online access.

Despite his concerns about this being unnecessary, I wouldn't reasonably expect any bank, including NatWest, to be able to give assurances to customers that they won't flag further payments for security checks.

But it's agreed that the service Mr R experienced when phoning NatWest fell below the standard he was reasonably entitled to expect. Listening to the call recordings provided I am satisfied that call handlers dealt fairly with Mr R. NatWest was entitled to enquire into the details of the transactions to help guard against potential scams. I think the sort of questions asked would be raised with any customer in this situation or whose account NatWest thought might be under threat from an unidentified third-party trying to gain access to the account and control of the money in it. So, I don't think NatWest acted unfairly or unreasonably when it took the steps it did to verify what it needed to know about Mr Rs plans for his money and re-set his online banking. But I don't doubt he was inconvenienced by having to make repeated calls to NatWest and he spent an undue amount of time on-hold – which I can completely understand was frustrating.

We've explained that the industry regulator, the FCA, says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. We can however consider the customer service Mr R received and I kept this in mind when thinking about whether NatWest needs to do more to fairly compensate Mr R.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. An award of compensation doesn't automatically follow just because a financial business hasn't dealt with something as well as it should've done. So just because aspects of NatWest's phone service were sub-standard, it doesn't necessarily follow that we would always award any or any significant compensation for this. And after taking into account everything that Mr R and NatWest have told me, I haven't seen enough to show that NatWest did anything else wrong or that it has ultimately treated Mr R in a way that wasn't fair and reasonable.

The £100 payment made already seems fair to me in all the circumstances. I haven't seen or heard enough to make me think it would be reasonable for me to require NatWest to do more as each complaint is looked at on its own merits. I've looked at the circumstances that apply in this particular case and the fact alone that there may be other complaints raising similar issues where more compensation was paid doesn't change my conclusion here. Looked at overall, I am satisfied that NatWest has already taken responsibility for addressing shortcomings on its part and done enough to put this right.

I have concentrated on what I consider to be the main points that affect the outcome of Mr R's complaint. If I have not referred to each point he's raised it's because I have nothing further I can usefully add to what our investigator has said already and it would make no difference in any event to the decision I've reached. I hope that setting things out as I've done helps Mr R to understand how I've reached my conclusions and why I won't be asking NatWest to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 29 September 2025.

Susan Webb
Ombudsman