

The complaint

U, a limited company, complains that National Westminster Bank Public Limited Company (NatWest), trading as Mettle, failed to remove restrictions it placed on U's account.

U is represented by its director – who I'll refer to as "Ms I".

What happened

Ms I's account was restricted for review around January this year. She previously referred a complaint to this service about the initial restriction, and an outcome was issued by one of our investigators. This complaint concerns the remaining period of the restriction placed by Mettle.

Ms I says the ongoing restriction damaged her business and its reputation, causing her severe financial hardship, mental health problems and left her in distress about taking care of her children. She says her business lost around £12,000 as a result.

Mettle lifted the restriction in April, whilst also informing Ms I that it had decided to close her account. After carrying out some payments, Ms I transferred the remaining funds to another account. Ms I feels the restriction should've been lifted sooner, given she submitted information to Mettle about a court order that had been set aside.

In its complaint responses, Mettle explained it had followed its processes correctly. The bank confirmed receipt of Ms I's information at the time but said that it had no updates for her. Mettle also acknowledged a short delay on its part.

Ms I remained unhappy and referred the complaint to this service. Our investigator established the details of the delay Mettle referred to and concluded that the delay was unreasonable. The investigator asked that Mettle pay Ms I interest for the period of the delay – which the investigator determined to be nine days. Mettle agreed but Ms I didn't accept the outcome. She wants a significantly higher award because of the losses and distress she says she experienced.

The complaint was passed to me for a final review.

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 share the investigator's conclusions on this complaint – I'll explain why.

It might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this.

Mettle has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened.

They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. Mettle may need to review accounts to comply with these responsibilities. Ms I's previous complaint outcome explains why Mettle's account restriction for this reason was fair.

It's up to firms to determine what processes to put in place in order to meet the obligations I've summarised above. So there's no set timescale that a review should be completed within. However, firms shouldn't unfairly cause a delay.

The information I've seen demonstrates that the relevant court order was set aside and Mettle was made aware of this (via NatWest) on 27 March. However, no action was taken in response to this information until 5 April. I can see that, after this information was reviewed, Mettle was able to lift the restriction on the account within a day. So I think Mettle unfairly caused a delay – had the bank acted on the updated information about the court order in a timely manner, it's more likely than not that Ms I would've gained access to her funds at least a week earlier than she did.

Given Ms I was unfairly deprived of access to her funds, I agree that Mettle should pay her interest for the 9-day period of the delay.

I empathise with Ms I, given the whole experience was distressing for her. However, as the eligible complainant here is Ms I's company – U – it's not within my remit to consider the impact of Mettle's actions on Ms I personally. Ms I's position as director provides that she's able to act on U's behalf. But as a legal entity, U cannot experience distress in the way Ms I describes. So I can't consider making an award for the distress Ms I experienced directly.

Ms I pointed to business losses and the inconvenience caused to U because of Mettle's actions. She says U couldn't operate or pay essential business costs such as employee salaries. However, I'm not persuaded that this was caused by Mettle's failing here. As Ms I knows, the initial restriction and ongoing review was deemed to have been put in place fairly – as per the previous complaint. So, although I acknowledge the impact Ms I describes is plausible, I can't make an award for the losses to the business, given the restriction and review was put in place fairly.

As I've explained, Mettle's failing here is the 9-day delay. But I don't find it plausible that this delay alone impacted Ms I's business in the way that she describes. So I won't be making an award for the business losses Ms I has informed us of.

In summary, I'm upholding this complaint and instruct Mettle to pay Ms I 8% simple interest on the restricted account balance for the 9-day period of the delay. If Mettle considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms I how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I'm upholding this complaint. Provided U accepts - National Westminster Bank Public Limited Company, trading as Mettle, should settle this complaint in the way that I've explained above.

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

Abdul Ali
Ombudsman