

The complaint

Miss S complains that National Westminster Bank PLC (NatWest) placed restrictions on her account and wants compensation for the funds she repaid to people she had to borrow from.

What happened

Miss S said her online account was disabled and she had to wait a week for the relevant part of NatWest to contact her. NatWest told her she could only access funds from her account in branch. Miss S said this caused her a 'major anxiety attack' as she struggles with social interaction. In the meantime, she had to rely on family and friends to meet essential costs.

Miss S said that three days after her account was blocked NatWest emailed her that all was resolved and back to normal, but shortly afterwards her account disappeared from her banking app. Miss S said two days later it was back to normal. She requested compensation for the impact on her mental health and for having to repay loans from family and friends.

NatWest responded to Miss S's complaint saying it received a report that she had received funds which it had to investigate. NatWest said its fraud staff contacted her, and stops were applied to her account. It said Miss S was advised that she was entitled to funds directly related to wages or benefits from a branch although she had said this is difficult for her.

NatWest said it could see Miss S had withdrawn funds from her account during the investigation. It said the right process had been followed and there was no bank error. NatWest said it had opened a dedicated line to support vulnerable customers and would be happy to suggest additional support for Miss S with her day-to-day banking.

Miss S wasn't happy with this response and referred her complaint to our service. Our investigator said NatWest blocked Miss S's account in line with its process and terms and conditions as it received two separate fraud reports from other banks that she had received funds that needed investigating. And so, he said the initial block was placed fairly.

The investigator said NatWest asked Miss S about the transactions and she said she would return the funds to the sender. A few days later Miss S told NatWest she did recognise the transactions and had been approached by someone for an opportunity to earn some money, but later realised this was a scam. NatWest explained that due to the nature of the reports, there is no set timeframe as each case is different.

The investigator said there were no undue delays by NatWest in its investigation and whilst the account was blocked Miss S withdrew cash at branch on three occasions. He said following this a further block was placed on Miss S's account as a further report was received. But the block was removed again soon after as this was a duplicate.

Miss S disagreed with the investigator and requested an ombudsman review her complaint. She said her disability and the way she was treated weren't taken into account. She said she struggled with her anxiety to get to a branch of NatWest, and it had cost her a fortune.

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.

Miss S has explained to us her difficult personal and family circumstances and I have fully considered this information in reaching my decision on her complaint. I realise she will be disappointed by my decision as I agree with the investigator's outcome and for largely the same reasons.

NatWest has shown us that it received external reports of potentially fraudulent payments to Miss S's account, and I can see why it was required to investigate. Miss S responded to the bank's enquiries and confirmed that the payments were a scam and blocked all contact with the other party.

NatWest has shown us the process it follows in relation to the receipt of potential fraud reports from external sources, in this case other banks. NatWest blocks accounts while it investigates and only allows affected customers to withdraw cash from a branch. Although this was hugely inconvenient to Miss S I can see this is an established bank process which makes sense in limiting the potential for harmful online fraud. The account block is intended to protect both the customer and the bank while the bank looks into what has happened with the account.

Despite the disadvantages Miss S has described, I'm pleased to see that she attended a branch of NatWest on several occasions at this time to withdraw cash. I was sorry to see that Miss S also had to borrow cash from family and friends. Given that she had branch access to her account at the time it isn't clear to me why this was necessary or how the repayment of these sums caused her financial loss. Nevertheless, I sympathise with her for the impact on her mental health and the inconvenience she was caused.

I have looked at the timeline of events and communications between the parties to see if NatWest delayed its investigation and subsequent unblocking of Miss S's account. And I don't think that it did. NatWest messaged Miss S promptly about the blocks and removed these after a few days on completion of the required checks. NatWest said to Miss S that it understood this is difficult for her due to her personal circumstances and offered assistance with her banking and sent her information about the type of scam relevant to her transactions.

NatWest has a duty of care to minimise access to funds if there are concerns regarding a customer's account due to scams or fraud. NatWest took just over two weeks to block and investigate the reports into Miss S's account, and this includes the second report that was received during this time. As with previous transactions that NatWest questioned, it acted promptly to minimise the inconvenience to Miss S.

In conclusion, NatWest hasn't acted unfairly or unreasonably in blocking Miss S's account and has the support of the terms and conditions in the actions it has taken. I haven't found that it took an unreasonable amount of time to investigate Miss S's account and remove the blocks it had applied. And so, it follows that I can't reasonably uphold the complaint or ask NatWest to pay Miss S any compensation in these circumstances.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 6 January 2026.

Andrew Fraser
Ombudsman