

The complaint

Miss D complains National Westminster Bank PLC blocked her transfer of funds whilst it carried out a review and this caused her distress and inconvenience.

What happened

On the morning of 20 November 2024 Miss D transferred around £14,000 from her NatWest account to another account held in her name with a different firm I'll call 'F'. However, the transfer to F was stopped by NatWest's automated fraud prevention system. NatWest said this was due to the payment matching trends in high value scams it was seeing at that time.

After NatWest blocked the transfer, I understand it sent a text message to Miss D advising she would receive a call. Miss D then received a call however she was placed straight into a queue. After waiting in the queue for several minutes Miss D hung up and called F to let it know there would be a delay with the payment coming over.

Miss D called NatWest back later that day. And Miss D was transferred to the fraud prevention team. However, the reception on the phone line was poor and Miss D had a Zoom meeting coming up shortly. Miss D told NatWest about the upcoming Zoom meeting and NatWest said it might not be able to complete its questions before Miss D's meeting was due to start. So, the call ended with NatWest agreeing to call Miss D back around midday.

NatWest didn't call back at midday and after waiting an hour Miss D called NatWest. NatWest said it would put Miss D through to the high value scams team. Miss D was then placed in an automated line which asked her to input her 16-digit card number. Miss D said there was no option to bypass this requirement so she ended the call because she is visually impaired and it would be challenging to correctly input the full card number.

Miss D then called NatWest back. Miss D told NatWest the last person was supposed to put her through to the scam unit however she was first put through to an automated line which asked her to input her account number despite her being visually impaired.

Miss D asked NatWest to put her directly through to someone in the fraud prevention team to avoid her having to go to an automated line again. So, NatWest passed Miss D directly through to a member of the fraud prevention team.

The fraud prevention team carried out some security checks and passed Miss D through to the specific team dealing with the blocked transfer.

Miss D then spoke with a member of the NatWest team who asked various questions around the transfer before authorising the block to be removed and the payment released. Miss D said NatWest's handling of this call deliberately caused distress. Miss D said she found the call handler to be demeaning and NatWest's behaviour on the call was bullying. Miss D said the questions being asked were intrusive and unnecessary.

Miss D complained to NatWest about the lack of adjustment for her visual impairment, being put through to an automated line which required her card number to be entered, poor sound

quality during calls, not receiving a call back at midday and NatWest's handling of the call during which the block was removed.

In NatWest's response it said the call in question was handled politely and professionally and the questions being asked were essential to completing its checks and releasing the payment. NatWest also didn't uphold the complaint about the quality of sound during the calls. However, NatWest agreed it failed to call Miss D back when it should have and it shouldn't have passed Miss D through to an automated line which requested she input her card number. NatWest awarded £100 compensation to address its failures.

Miss D didn't accept NatWest's response and referred her complaint to this service. Following which NatWest reconsidered the complaint. Having done so NatWest offered Miss D a further £150 compensation making it £250 compensation in total. NatWest said it had listened again to all the calls associated with the complaint and it sincerely apologised to Miss D for the poor level of service she received.

After reconsidering matters NatWest said the call quality was inconsistent and reiterated it shouldn't have passed Miss D through to an automated line which required the card number to be entered. NatWest said it understands the questions it asked felt intrusive, but it was necessary to ensure no fraudulent activity was taking place and to ensure its customer wasn't at risk. NatWest said it would increase the compensation to £250 to recognise the inconvenience, distress and challenges Miss D faced.

Miss D remained unhappy and proceeded with the referral to our service. Our investigator didn't uphold the complaint. She said the questions NatWest asked Miss D about the transfer weren't unusual or intrusive and they were standard checks to protect customers from financial harm – though she acknowledged the questions were uncomfortable for Miss D to answer. Our investigator concluded the £250 compensation offer from NatWest was fair in the circumstances to address the things it got wrong.

Miss D didn't accept the investigators findings. Miss D said NatWest had exceeded its duty of care and cited certain case law, in support of her position. Miss D said the delay due to NatWest blocking the transfer caused her frustration, upset and reputational damage. Miss D said the questions NatWest asked were not appropriate or necessary and were vexatious and unpleasant. Miss D also said NatWest had failed to respond fully to her Subject Access Request (SAR).

Our investigator couldn't resolve things for Miss D and so the complaint has been passed to an ombudsman for a final decision.

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.

As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

Having done so, I've reached the same overall conclusion as the investigator. I know Miss D will be disappointed as I can see how strongly she feels about what happened, so I'll explain why.

I also wish to be clear, although I may not mention every point Miss D has made, I'd like to reassure her I've considered them throughout my investigation. Instead, I've focused on the

main points relevant to my outcome.

I was sorry to learn that what might have been a straightforward payment transaction turned into a drawn-out and upsetting experience for Miss D. Part of my role is to determine whether what took place was fair and reasonable and whether NatWest followed the process correctly.

In assessing whether NatWest has acted fairly, I've taken into account the relevant rules and the terms and conditions of the account along with good industry practice. There are general principles that say a bank should conduct its business with due skill, and care and pay regard to the interests of its customers. As a matter of good industry practice, I'd expect NatWest to be monitoring accounts and payments to identify and prevent transactions that could involve fraud or scams.

All financial institutions holding customer funds are required by the regulator, the Financial Conduct Authority, to put in place systems that reduce and interdict transactions that may be carried out for the benefit of fraudsters or scammers. So, where a payment is flagged up, as it was in this complaint, I'd typically expect to see further checks being carried out by NatWest.

NatWest's fraud prevention system is complex, and its algorithms haven't been shared for good reason. To do so would allow fraudsters to circumnavigate the measures put in place to protect NatWest's customers. In this case, one of Miss D's payments tripped the fraud prevention system, prompting NatWest to stop the payment attempt until Miss D could provide the information NatWest needed to allay its concerns.

I've carefully considered the content of the call in which NatWest asked Miss D about the intended purpose for the funds involved in the transfer she was making to F. Having done so, I'm satisfied NatWest acted fairly and reasonably in relation to the questions it asked. I appreciate Miss D found the questions to be vexatious and unpleasant. However, having carefully considered the recording I don't think the call handler was rude and I'm satisfied the questions were reasonable in determining the payment wasn't connected to a fraud or scam.

I wish to be clear, I appreciate for Miss D the questions felt intrusive and unreasonable. And I can understand why the question about what she intended to use the funds for caused her distress to answer. However, I don't think NatWest did something wrong in probing further to better understand as much as it could about the transfer.

I say this because the payment triggered NatWest's automated fraud prevention system which carries out checks for any payments that match fraud and scam trends. And in those circumstances, I'd expect NatWest to carry out reasonably robust questioning to ensure its customer's funds aren't at risk of falling victim to a fraud or scam.

It's an unfortunate fact that there are a lot of scams and frauds in the banking system – and all banks, including NatWest, must have processes and checks in place to stop them. If they don't, then customers stand to lose money. So, ultimately, I think NatWest are trying to help customers with these checks. And we can't tell NatWest what its checks should be.

I don't know how many times this approach by NatWest and the other financial institutions will have prevented fraudsters and scammers from benefitting through customer accounts. But I expect millions of pounds will have been diverted from the alarming range of fraudulent enterprises by the type of questions asked and security checks applied to Miss D's account.

I recognise this won't resolve things for Miss D though. I want to reiterate my understanding that for Miss D the questions felt intrusive, and I understand it was distressing and

inconvenient for Miss D to go through this process. But as I've explained, I don't think NatWest did something wrong in blocking the transfer until it had asked further questions to satisfy itself that Miss D wasn't falling victim to a fraud or scam.

Miss D said the blocking of the transfer led to a delay in releasing the payment which caused her frustration, upset and reputational damage. Following Miss D answering NatWest's questions I understand the payment was authorised and released the same day as Miss D initiated the transfer.

The regulations for such payments generally expect businesses to ensure the amount of the payment transaction is credited to the receiving account by the end of the business day which follows the time of receipt of the payment order. So, I'm satisfied NatWest released the payment in line with the regulatory timeframe. I must also note the terms and conditions for the account allow NatWest to delay acting on a customer's instructions where it is concerned an instruction may be connected to a fraud or scam. As it was in this case.

So, I don't think NatWest made an error or caused an unreasonable delay and I can see the payment was authorised and released the same day - within the regulatory timeframe. So, I don't hold NatWest responsible for any reputational damage Miss D feels she suffered, nor the other impacts Miss D has described in relation to the time it took for the payment to be questioned and subsequently authorised.

I'll address Miss D's case law argument now. Miss D referenced the 'Quincecare duty' and said NatWest had exceeded its duty of care in failing to process the transaction authorised by her. Miss D said a transaction authorised by an individual customer, such as her, was not covered by the Quincecare duty, and so NatWest had exceeded its authority in not processing her payment as instructed.

In brief, the Quincecare duty was established in *Barclays Bank UK PLC v Quincecare* (1992). The duty is typically applied to prevent a bank from executing a payment instruction given by an agent of its customer where it has reasonable grounds to believe that the instruction is an attempt by the agent to defraud the customer

The duty may also arise where a fraudster impersonates a customer and gives a payment instruction to a bank, and there are reasonable circumstances for the bank to believe the instruction is an attempt to defraud the customer.

Miss D referenced *Philipp v Barclays Bank UK PLC* (2021) and said the Supreme Court later held that a transaction authorised by an individual customer, not an agent, was not covered by the Quincecare duty.

I generally concur with Miss D that the duty doesn't apply here, and I think it's fair to say the circumstances of this complaint differ to those cases considered in the courts. So, I'm satisfied the Quincecare duty isn't particularly relevant to the decision I reach in this case.

I'm also satisfied NatWest had a right to block the transfer in line with the terms and conditions of the account which state it can delay or refuse to act on an instruction where it has various concerns including the instruction being connected to a fraud or scam. And I can see once NatWest had discussed the transfer with Miss D and was satisfied no fraud or scam was likely involved, it released the payment the same day.

So, I don't seek to argue that the Quincecare duty covered the payment Miss D was making. I don't think the payment needed to be covered by the Quincecare duty in order for NatWest to be allowed to temporarily block it while it carried out further checks. And I don't think NatWest exceeded its authority or its duty of care in blocking the payment to carry out further

checks.

I'm also mindful that the courts have interpreted Quincecare narrowly and as referenced the circumstances of this complaint are different to those cases. I'm also aware of the Philipp judgment where a different view was taken about the Quincecare duty. So, as stated, I don't suggest the Quincecare duty applies to this case. And notwithstanding what a judge has said in the context of deciding a narrow point of law, we have a duty to resolve complaints based on what we think is fair and reasonable in all the circumstances of the case, taking into account not just the law, but also regulator rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time.

As I've referenced before, I'd expect NatWest to have in place processes and checks to avert fraud and scams occurring on its customer's accounts. And I'd expect NatWest to ensure it carries out robust checks, and I'd expect it to have suitably detailed discussions with its customers where it has any concerns a payment may be connected to a fraud or scam.

I'm satisfied this expectation is in line with good industry practice, is ultimately for the benefit of customers and will reduce customers falling victim to fraud. And this expectation is irrespective of the Quincecare duty because ultimately, I don't suggest it applies here, and I don't think NatWest did something wrong in blocking the payment and asking questions about it before releasing it later that day.

Miss D told our service that NatWest failed to respond fully to her SAR. I've listened to the complaint call between NatWest and Miss D's representative. And no complaint is made about a SAR in that call; I understand the SAR wasn't made until later.

I also note Miss D said she made the SAR in February 2025. And NatWest's final response was issued on 1 February 2025, and it doesn't address Miss D's concerns with what she received after issuing the SAR.

So, based on the above I expect the SAR was most likely made after the final response was issued and this is why that matter hasn't been addressed in the final response which relates to this complaint. Going forward Miss D can refer her complaint about the content of the SAR to NatWest in the first instance for it to respond. If Miss D has referred a complaint about the SAR to NatWest already, she may seek to bring that complaint to our service dependent on the relevant rules and timeframes for doing so.

I move now to compensation. We're all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is unwelcome but to be expected. It's the impact of any errors or unfair actions made over and above that which we consider, to decide if an award of compensation is merited, and if so, how much.

I think NatWest made several errors and provided some poor service which impacted Miss D. I think NatWest's phone lines at times were of poor quality and I can understand why this was frustrating for Miss D. Though I'm pleased to see the blocked transfer was resolved and the payment released the same day. I think it was a struggle for Miss D to get through some of the calls due to not being able to always clearly hear the NatWest handler.

I think NatWest should have completed the call back it agreed to at the arranged time. It's unclear if the call handler got stuck on another call or some other issue got in the way of completing the call back - or they simply failed to carry it out as agreed. Either way, I think it caused Miss D frustration, disappointment and inconvenience to have to call back herself.

I think NatWest then made an error in passing Miss D through to an automated line which

asked her to input her card number. I think Miss D mitigated the matter by hanging up and calling back again. But I don't think she should have had to do this.

I note Miss D didn't advise the handler who put her through to the automated line about her visual impairment. But again, I don't think she should have had to do this. And I think it's fair to say NatWest's files should already have been noted with regards to Miss D's visual impairment, as she had detailed it previously on another call, and so the handler should have been able to read notes and know not to put Miss D through to an automated line like that.

When Miss D called back, she informed the next handler about her visual impairment and the need to pass her through to a person. And NatWest ensured this was done. So, I'm satisfied this was a reasonable adjustment which enabled Miss D to avoid having to try to input her card number in order to be transferred to the relevant team.

I'm pleased to see NatWest have now added a record to Miss D's file which ensures its staff will be aware of Miss D's needs and will be able to better support her going forward.

Altogether I think Miss D was caused some distress, inconvenience, disappointment and loss of expectation for the reasons discussed above. And overall, I think £250 compensation is fair and reasonable in the circumstances of this complaint and in line with what our service would award. I've included a link to our award ranges [here](#) which discusses our approach.

In conclusion, I consider NatWest's actions are permitted by the policy terms and are a reasonable way in which to reduce the risk of Miss D falling victim to a scam or fraudulent activity on her account.

Our service investigates the merits of complaints on an individual basis. And that is what I've done here. I think it's important to explain that my decision is final. I realise Miss D will be disappointed by this outcome though I hope she appreciates the reasons why it had to be this way.

My final decision

The offer of £250 compensation in total (made up of £100 originally offered and the £150 offered after Miss D referred the complaint to our service) by National Westminster Bank PLC is fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 19 February 2026.

Gordon Candlish
Ombudsman