

The complaint

Mr S' complaint is about a bank account he has with NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest). He is unhappy with the impact on him of NatWest undertaking a fraud-related investigation into the account.

What happened

On 13 February 2025 NatWest placed restrictions on Mr S' account following a report from another bank regarding credits that it had made to the account. NatWest asked Mr S for information and spoke to him on 14 February 2025. Mr S provided evidence to NatWest that satisfied it that it was a genuine transaction, and this enabled it to remove the restrictions the same day.

On 18 March 2025 restrictions were again placed on Mr S' account due to a report from another bank regarding a transaction on 9 December 2024. Mr S was again asked for information and NatWest spoke to him on 20 March 2025. Mr S provided information to NatWest and the restrictions were removed on 26 March 2025, although the investigation had not been completed.

During his conversations with NatWest on 20 March 2025 Mr S explained to it that he was having surgery the following week and needed money to do things before that happened. The following day he was told by email that he would be able to access his wages if he went into a branch. He did so on 24 March 2025, the day before his surgery, and was told that he could not withdraw money from his account. Mr S was very unhappy that he'd travelled 18 miles to the branch, and it had been a waste of time. He also told us that he'd had to borrow money to do what he needed to do.

On 19 April 2025 NatWest responded to the complaint. It explained why it had put restrictions on Mr S' account when it had. It then explained the process it went through when it identified a potentially fraudulent transaction. NatWest was satisfied that it had acted appropriately and in line with the account terms and conditions. However, it accepted that the service it had provided was not what it should have been, including the matter of Mr S receiving conflicting information about visiting a branch to access funds. NatWest explained that it would not release funds that were under investigation, but it could make a one-off payment from wages or benefit payments. However, that was subject to the discretion of the branch and enough money being available. NatWest said it had considered Mr S' request for compensation, but it did not think compensation was merited.

NatWest send another copy of the complaint response to Mr S on 22 July 2025 following further correspondence from him about the complaint.

When the complaint was referred to this Service by Mr S, NatWest offered to pay Mr S £100 compensation for the upset and inconvenience it had caused him. Mr S rejected the offer as he said that it trivialised the gravity of what he went through and allowed the bank to escape accountability for the severe harm it caused. Mr S said that the complaint was not about the terms and conditions of the account, but rather it was about its *'inhuman and dismissive treatment despite knowing that he was gravely unwell'*.

One of our Investigators considered Mr S' complaint. He accepted that the blocks that had been put on Mr S' account had been applied correctly, but he also acknowledged the amount of distress and inconvenience he had been caused. The Investigator recommended that NatWest increase the compensation payment to £150.

NatWest accepted the Investigator's conclusions and agreed to pay Mr S £150 to settle the complaint. Mr S didn't accept his conclusions. He said that the complaint was never solely about the account being restricted, as he understands the bank's right to investigate where fraud is suspected. What Mr S said he was focussed on was the way NatWest treated him; despite knowing that he was gravely ill and scheduled for surgery, it insisted that he go to a branch. He explained that he found the need to do that physically exhausting, only to be told that he had not needed to attend a branch. Mr S also said he was unhappy that the final response letter of 19 April 2025 had not been emailed to him until three days later, which he thinks was NatWest attempting to conceal how long it truly took it to respond.

The Investigator responded to Mr S' further comments, but he was not persuaded to change his conclusions. He confirmed that he had listened to the calls Mr S had with NatWest and in none of them was he instructed to go to a branch.

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 would firstly explain that in accordance with the law, regulations and good industry practice, a bank should be on the lookout for and protect its customers against the risk of fraud and scams so far as is reasonably practicable. If it fails to act on information which ought to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result. Banks have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing its customer.

Sometimes a bank's security processes can mean that a legitimate transaction can cause concern that results in the bank placing restrictions on an account. While this can cause inconvenience to a customer, it doesn't necessarily mean that the bank has acted incorrectly or unfairly.

In this case NatWest was alerted by other banking institutions that transactions on Mr S' account might be linked to fraud/financial crime. It immediately placed restrictions on Mr S' account and contacted him to tell him what was happening and why. It asked him for information to enable it to investigate the matter. That is what I would have expected it to do. It then considered the information, and in the case of the first incident, the restrictions were removed the following day.

The second transaction that caused concern took longer to investigate and I can understand that was inconvenient for Mr S, especially given his medical circumstances. However, NatWest bore that in mind and removed the restrictions six working days into its investigation, despite the fact that the investigation had not been completed. While Mr S believes that NatWest should have removed the restriction earlier due to his health, I am not persuaded that is the case. Nor do I consider that NatWest was wrong to have placed the restrictions on the account in the first place.

Mr S has said that the compensation offered is not sufficient due to the way NatWest treated him, despite it knowing that he was ill and had surgery scheduled. Having restrictions placed on an account is always going to be inconvenient to a consumer. However, if those

restrictions were reasonably applied, as I have concluded in this case, that inconvenience could not have been avoided and it's not something that it would be appropriate for me to require NatWest to pay Mr S compensation for.

However, NatWest has accepted the service it provided was not what it should have been in relation to information that Mr S was given about accessing money from his account. I have considered how much additional inconvenience this caused Mr S, and I am in agreement with the Investigator that it merits a payment of £150.

While the issue does not alter the outcome of the complaint, I note that Mr S has said that he was sent the complaint response in July rather than April 2025. He considers that this evidences that NatWest has not been transparent and did not handle his concerns correctly. The email Mr S has sent us from July 2025 states that it is sending Mr S a *copy* of the resolution letter. This indicated that it was not the first time the letter was sent and NatWest has provided evidence from its systems that the July 2025 email was the second time that it had sent its response to the complaint to Mr S. I have seen nothing to indicate that NatWest didn't send Mr S its response when it was written in April 2025.

My final decision

My final decision is that I uphold this complaint in part. In full and final settlement of the complaint, I order NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to pay Mr S £150 compensation for the added inconvenience and upset it caused him.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 9 January 2026.

Derry Baxter
Ombudsman