

## The complaint

Miss P, with the assistance of a representative, complains National Westminster Bank PLC (NatWest) refused a time critical payment she authorised it to make.

## What happened

Miss P explained she needed to pay for some work to be completed by a *'well-established'* and *'reputable company'*. Miss P said she had to make the payment on 16 July 2025 to secure a date for the work to be started by the company.

After not being able to make the payment online on 16 July, Miss P telephoned NatWest to make the transfer to the company via telephone banking. She arranged the payment of £9,955 with the adviser who confirmed the payment had been made.

Later that day she spoke with the NatWest fraud team about the transfer, as it had been placed on hold. Miss P said she was subjected to *'intrusive questions'* about the payment. She answered these questions, including providing details of the company she was trying to pay and offered to provide documents to show the contract. Miss P explained NatWest refused to make the payment and they cited *'generic fraud triggers'* for the reason.

I have listened to the initial call. Miss P explained she had had difficulties making the payment online and NatWest tried to assist her in setting up biometrics. The adviser said they could help her make the payment and took details. Miss P explained this was for a one-off payment for £10,000. The adviser explained the account details she had provided for the payment had been *'matched'*, but explained Miss P could only transfer £9,955 because she had already made a payment for £45 that day and her limit was £10,000. The adviser completed the details and ended the call by confirming the payment had been completed and read out her new balance to her.

I have listened to the call to the fraud department Miss P later had with NatWest. The adviser asked several questions about the payment. Miss P gave answers to all the questions, but the adviser explained they wouldn't be able to make the payment based on the information Miss P had given. The adviser then explained Miss P could make the payment in person with Chip and PIN or over the telephone with her debit card.

Miss P explained she had to use savings she held with a different bank to make the payment and didn't encounter any issues when arranging this payment.

Miss P explained she had held a bank account with NatWest for over a decade, had sufficient funds in the account and had not been the victim of fraud before. Miss P explained she thought NatWest had blocked the payment without carrying out any *'due diligence'* such as asking for documentation or verifying the reputation of the payee. She said NatWest didn't consider the urgency of this payment or her evidence of this being a legitimate payment to a genuine company. She also complained about NatWest's complaint handling after she complained about this issue.

Miss P explained this caused her significant distress and inconvenience as she thought she would lose the booking she had made for the work to begin. She wants a *'formal finding'* NatWest failed to act with reasonable care, a policy review of blocking payments, and an apology and compensation.

NatWest wrote a final response letter to Miss P not upholding her complaint. NatWest said it was sorry about the distress and inconvenience Miss P experienced. It explained there were various reasons the transaction 'matched' its scam indicators, so declined to make the payment.

NatWest explained the safeguards were in place to protect its customers and it advises customers to use more secure methods of payments where there are better options to recover funds, such as by debit or credit card.

Our investigator didn't think NatWest had made a mistake. They explained businesses must have fair and reasonable systems in place to prevent and detect fraud, which was why NatWest put the payment on hold, and this was in accordance with its terms and conditions.

Our investigator recognised NatWest asked further questions about the payment but was not satisfied with the risk, so refused the payment. They were also satisfied it wasn't NatWest policy to request documentation to prove the legitimacy of a transaction.

As Miss P rejected our investigator's recommendation, her complaint has been passed to me to make 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.

I appreciate how strongly Miss P feels about her complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Before I set out my thoughts on Miss P's complaint, I think it would be helpful if I set out our service's limitations.

I can see Miss P wants us to review NatWest's policies. Our service doesn't have the powers to change businesses process or procedures, we can only consider whether the customer was treated fairly and reasonably in the circumstances of the case in hand. We consider what happened, whether the business made a mistake and if the customer was treated fairly and reasonably. We can then consider the impact that had on the consumer and what resolves the issues fairly for all parties considering all the circumstances.

Our service also can't consider complaints about complaint handling in isolation, as this isn't a regulated activity.

The starting position in law is a bank is expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account. I have taken this into account when deciding what is fair and reasonable in this case.

Having said that, there are also obligations on banks to detect and prevent certain transactions, I consider NatWest should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams,
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is

particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This means that, there are circumstances where a bank should fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm. Our service unfortunately often sees cases where customers have sadly been the victim of scams involving such payments.

Banks therefore have to strike a difficult balance between how to detect unusual activity on an account and to also not interfere with the vast majority of perfectly normal transactions which are not fraudulent or related to scams. Each business will have it's own processes for determining whether to intervene when a customer instructs a payment, based on a variety of factors including the businesses own approach to risk.

I can see NatWest has referred to it's terms and conditions, cited section 2.2 of it's Personal Banking Account Terms and Fees. 2.2 states *'we'll always follow your instructions, unless: ... we reasonably suspect the instruction is fraudulent; it's necessary to reject your instruction to protect you or us from a crime;'* I'm therefore satisfied NatWest could take the action it did if it suspected fraud or thought it needed to protect itself or Miss P from crime.

I have also considered the evidence Miss P has provided regarding the company she was trying to pay. This is helpful and shows she apparently had good documented evidence for what the payment was for. I was also pleased to hear Miss P was able to make the payment by other means so avoided any further impact because of NatWest's decision not to make the payment.

I have also examined Miss P's statement. Having done so, I am satisfied this payment was out of the ordinary for her. So, broadly speaking, I can understand why this payment *'flagged'* and why NatWest had concerns about the payment and decided to intervene.

In addition, this was a faster payment, often referred to as a bank transfer. These types of payment are less secure than other payments and often used by fraudsters when scamming individuals. Recourse can be more difficult when payments are made by this method.

I can see NatWest explained Miss P could use her debit card over the telephone or in person to make the payment, but it wasn't prepared to make the transfer on the information Miss P had provided. This provided an alternative for Miss P and I am satisfied NatWest explained it's reasons fairly.

Given the wider circumstances. I am satisfied this was a decision NatWest was entitled to make, I can see why it had concerns, for the reasons above, and I haven't seen anything to suggest it was unreasonable of it to take steps it did to protect Miss P. I'm also pleased to see NatWest explained alternative methods for making this payment, which is what I would expect.

However, I can also understand why Miss P was frustrated with the service she received, she wanted to make a transfer to a company and was stopped from doing so. As I explained, businesses do have to have systems in place to detect fraud and make decisions on whether to make payments it is concerned about.

Taking all the circumstances into account, I don't think NatWest's actions were unreasonable or unfair, I therefore don't uphold this complaint, but I do hope my reasoning helps Miss P to appreciate what happened and why.

**My final decision**

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 7 January 2026.

Gareth Jones  
**Ombudsman**