

The complaint

Mr B and Mrs B complain that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (Natwest) unfairly declined a payment they tried to make from their joint account.

While Mr B and Mrs B are joint account holders, and so refer the complaint jointly, the contact with both Natwest and our service has been mainly with Mr B. So I'll refer in my decision to Mr B, but this should be taken to include Mrs B where appropriate.

What happened

Mr B and Mrs B have a joint account with Natwest. They wanted to make a payment using the debit card linked to this account but Natwest declined the payment.

When Mr B asked why the payment had been declined, Natwest referred to bank policies but said it couldn't give any further information or explanation. As he was unhappy, Mr B complained to Natwest. In its response to this complaint, Natwest said it had acted in line with its policies when it declined the payment. However, it acknowledged there had been a delay in its response to his complaint and paid £100 compensation to recognise this.

Mr B referred the complaint to our service. Our investigator, having reviewed Natwest's policies, said he thought its decision to decline the payment was reasonable. He also thought the compensation was fair. Mr B remains dissatisfied. He believes it's unfair the reasons for the payment being declined can't be disclosed to him, and so asked for an ombudsman's 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 understand why Mr B is frustrated about what's happened. A payment he wanted to make was rejected by Natwest but he doesn't feel he's had an explanation about why.

Natwest has a duty to ensure consumer understanding, and this includes providing its customers with clear, understandable information and keeping them appropriately informed. So on the face of it, rejecting a payment and not explaining why would seem to be a breach of that duty.

However, Natwest also has its own policies, and for a number of reasons (including regulatory requirements, commercial sensitivity and others) not all of these can be disclosed to customers. I appreciate that may be seen as contradictory to its obligation to promote and ensure consumer understanding, but there are legitimate reasons why not everything can be disclosed to customers, even where it may help them understand Natwest's actions.

What I can say is that we've been provided with the relevant policy which sets out why the payment was rejected. Natwest sent this to us in confidence and on the basis that neither the policy, nor what it says would be disclosed. However much I think it would assist Mr B in

understanding why the payment was rejected, I can't ignore that undertaking.

We're independent of both Natwest and the banking industry, and so I hope that our assurance that the payment was rejected in line with the relevant policy holds some weight for Mr B.

It isn't our service's role to comment on the suitability of procedures, processes and policies operated by banks, as we aren't the industry regulator. What we can do is say whether those policies have been applied correctly and fairly. Based on everything I've seen, that's the case here. Natwest's policy meant that the payment Mr B was trying to make should be rejected, which is what happened. I've seen nothing to suggest his payment didn't meet the relevant criteria, or that his payment was singled out for rejection unfairly or unreasonably. I appreciate Mr B may find this explanation (or lack thereof) unsatisfactory but I can't disclose any further or go into more detail. To do so would outline the detail of the policy.

I also understand Mr B is unhappy with the length of time Natwest took to respond to his complaint, particularly given that it took nearly 2 months to be effectively told nothing substantive in terms of why the payment declined. However, the relevant rules as outlined in the dispute resolution rules of the Financial Conduct Authority (particularly DISP 1.6.2 R) allow Natwest eight weeks to respond to a complaint.

While I appreciate Mr B wanted a quicker resolution, I can only say a response was unreasonably delayed if it took more than the permitted eight weeks. Natwest accepts its response to Mr B was provided two days outside after the eight weeks had passed. So I'm satisfied there was a short delay, but the impact of that delay was minimal (particularly as it didn't uphold Mr B's complaint or provide any further insight as to Natwest's actions). The £100 compensation paid by Natwest to recognise this is a reasonable offer.

My final decision

I don't uphold Mr B and Mrs B's complaint about the payment rejection. NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY made a reasonable offer of compensation for the delay in responding to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 31 December 2025.

Ben Williams
Ombudsman