

The complaint

H complains NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY unfairly froze its account on more than one occasion leading to missed mortgage payments that have since caused considerable problems.

What happened

H, a partnership, has an account with NatWest. H owns a number of properties which it rents and refurbishes.

H says NatWest froze its account in January and March 2022 – a third party was conducting a review of H on NatWest's behalf at the time. H says this led to several mortgages payments to a business I'll refer to as "B" being made late – payments that have since been recorded as late payments. H ultimately complained to NatWest and to our service saying that NatWest had acted unfairly and that the missed payments had caused considerable problems. NatWest didn't uphold H's complaint.

One of our investigators looked into H's complaint but didn't recommend that it be upheld as they didn't think NatWest had unfairly blocked its account. H disagreed and asked for its complaint to be referred to an ombudsman for a decision. This complaint was, as a result, passed to me.

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.

Following my involvement, I've spoken to both parties at length. Having done so, I asked NatWest to provide more information about the review the third party had carried out – I could see that H had complained about the process and that it went on for months, and it looked like something had probably gone wrong, but the evidence around this was limited. NatWest told me that it no longer had access to the information I needed but based on the discussion we accepted that it was more likely than not that something had gone wrong. For that reason, NatWest offered to send B a letter confirming that H had sufficient funds to make the mortgage payments in January and March 2022 and that the reason why the payments were rejected was because it had blocked H's accounts in error. I forwarded NatWest's offer to H explaining that I couldn't guarantee that B would update its credit file to reflect the fact that the payments weren't missing or late, but that it probably would. More importantly, I explained that I thought this was a helpful offer of NatWest to make.

H welcomed NatWest's offer – getting the missed payments removed was one of the main reasons when it had complained to our service. H also said, however, that it felt some compensation was appropriate for the distress and inconvenience NatWest's actions had caused and losses too. I've spoken to H at length about this, and H has provided additional evidence. I can, however, see from this evidence that some of the problems H had getting lending were down to the nature of the properties it was remortgaging. I've also explained what we can and can't award compensation for. That's not to take away from the obvious

impact this has had on people involved.

Putting things right

Overall, taking everything into account, I consider NatWest's offer amounts to a fair and reasonable resolution to this complaint. I'm, therefore, going to require NatWest to send the letter it has offered to send so H can make that offer legally binding should it wish to do so.

My final decision

NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY has offered to send a letter confirming that H had sufficient funds to make the mortgage payments in January and March 2022 and that the reason why the payments were rejected was because it had blocked H's accounts in error. I think this offer is a fair and reasonable resolution to this complaint.

So my decision is that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY should send the letter it has offered to send.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 23 December 2025.

Nicolas Atkinson
Ombudsman