

The complaint

Mr Y complains about how Northern Bank Limited treated him when he tried to make a cash withdrawal from his current account in a branch.

What happened

Mr Y banks with Northern Bank. He decided to buy a car and went into branch to withdraw £4,000 in cash to pay for it.

Mr Y complains about what happened in the branch. He says he was told the maximum withdrawal was £2,500. He says he was told that if he withdrew that amount he would be blocked from making any more withdrawals over the counter for the rest of the month. Mr Y says that he was asked inappropriate questions about why he wanted to withdraw the money in front of other customers, which made him feel uncomfortable. He ended up having to take the money out using a cash machine, which he felt was less safe because he wasn't doing it inside a branch. But because of the delay the car purchase fell through.

Northern Bank said it had limits on cash withdrawals in place to protect customers. It will agree to payments of more than £2,500, but only after understanding the purpose of the withdrawal and the need for it to be in cash. It was appropriate to ask Mr Y about the purpose of the withdrawal. This was a counter transaction so its staff member discussed it with him at the counter. There weren't enough staff available to use a private room.

Our investigator thought that Northern Bank was entitled to set limits on cash withdrawals, and it was reasonable for it to ask about the purpose. But she said it could have done so more discreetly, and this had caused Mr Y some upset. She recommended it pay £100 compensation.

Mr Y accepted that. But Northern Bank didn't. It said counter staff carry out these conversations as part of dealing with transactions – it doesn't consider it necessary to use a private room. The staff member would only have asked necessary questions and done so discreetly. And there weren't enough staff in branch that day to use a private room and leave the counter open for other customers.

I took a different view, so I issued a provisional decision in which I said:

“Northern Bank limits the amount customers can withdraw in cash in one transaction (or a series of linked transactions) to £2,500 – though it will consider agreeing to higher amounts if there's a good reason for it. I appreciate Mr Y says that it's his money and he should be able to access it if he wants to. And I agree with that. But I also think that Northern Bank has a responsibility to protect Mr Y and his money, and has wider legal and regulatory obligations. It's important to support customers and make sure, for example, that they aren't being scammed. I don't think it's unreasonable that when Mr Y wanted to make a large cash withdrawal, Northern Bank asked him about the purpose of the withdrawal and whether alternatives – such as a bank transfer or card or cheque payment – might be more appropriate.

I can see why Mr Y would have preferred to have the conversation about this in private. Northern Bank says it's done by counter staff as part of the withdrawal request. And in any case on this day there wasn't another staff member available to discuss things with Mr Y in private. On balance, I don't think Northern Bank acted unfairly here. As I say, it was reasonable to discuss the purpose of the withdrawal with Mr Y. It was a response to a request for a withdrawal over the counter, so it's not unreasonable that it was the counter staff member who asked him. It's unfortunate that part of the conversation seems to have been overheard by another member of the public in the branch. But there wasn't anything particularly sensitive about what Mr Y wanted to do. I'm sure it was frustrating for Mr Y that he wasn't able to complete the withdrawal in the way he wanted. But I'm not persuaded that it's something for which Northern Bank should pay him compensation."

Northern Bank accepted my provisional decision. Mr Y didn't. He said the branch contained facilities for private discussion, which it should have used. He said that he was forced to discuss things at the counter in full view and hearing of other customers. That meant that Northern Bank exposed his sensitive personal data to third parties. This included being asked for security information as well as questions about his employment and source of wealth, what he wanted the money for, and whether he was experiencing any financial problems. As a result he was approached by a stranger outside the branch asking him about what he wanted the money for. This also put him at risk of robbery. Mr Y said he has since been approached by the same individual on other occasions. As a result he now feels unsafe. He has closed his account with Northern Bank.

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'm sorry to hear of Mr Y's experiences. I've thought carefully about everything he's said. But I'm afraid I still don't think the complaint should be upheld. It was reasonable for Northern Bank, in the interests of protecting its customers, to ask Mr Y about his reasons for making a large cash withdrawal. It was unfortunate that, on that day, it didn't have enough staff available to take Mr Y away from the counter to a private room.

But I'm not persuaded that failing to do so was unfair or unreasonable. It's to be expected that a bank will want to ask some questions before agreeing to a large cash withdrawal. There's no requirement to carry out transactions in a private room. If Mr Y wanted to discuss things away from the counter, it was open to him to ask to come back at a later time or on a different day when enough staff were available. And I don't think the bank can be held responsible for the conduct of third parties.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 12 February 2026.

Simon Pugh
Ombudsman