

## **The complaint**

Mr M complains that National Westminster Bank Plc stopped his payment for a new home going through, and they suspended access to his mobile application (app).

## **What happened**

Mr M contacted NatWest to discuss making a payment of £63,000 for a home he was purchasing. He says he was told he could make two payments using his NatWest app (one for £50,000 and one for £13,000). Due to the spend limit, Mr M was directed to a branch to make the payments, and Mr M visited a NatWest branch who assisted him, and he completed the payments. But Mr M was contacted by NatWest's fraud team about the payments. Although Mr M says that the branch staff tried to speak to the fraud department, they were unable to get the payments released, and Mr M was called by someone from NatWest's fraud department at 15:56pm.

Mr M says that the fraud call handler was arrogant, and he was kept on the phone for 37 minutes, and the call handler would not release the payment, telling Mr M that he should purchase his new home using a property lawyer. This effectively made him homeless, and he had to live in his car for days due to having already handed the keys over for the house he sold that day. Mr M says that he tried to use his NatWest mobile app, but this was suspended without him being notified. Mr M made a complaint to NatWest.

NatWest credited Mr M's account with £75 compensation and £23 to cover a fee involved as a gesture of goodwill. NatWest said the agents within the fraud department are trained to make a risk-based decision on each payment that is flagged as potentially fraudulent. They said their decision to authorise or decline the payment is based on their knowledge of current scam trends and the information he provided throughout the discussion of the payment. On this occasion, the agent decided that the payments should not be authorised in the interest of keeping Mr M's funds safe. Mr M brought his complaint to our service.

Our investigator did not uphold Mr M's complaint. He said while he could understand the inconvenience caused by the stopping of the transfers, he didn't think NatWest made a bank error on this occasion. He said he listened to the call with the fraud agent, and while the call could've ended in a better way, he didn't think the agent intended to upset Mr M.

Mr M asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that he had to live in his car between 22 September-24 September 2023, he said NatWest did not follow their procedures, and the fraud team intervened without considering all of the facts, he had no contact from the fraud department after the call he had with them, and his app access was blocked for around seven weeks until it was reinstated without any contact from NatWest.

## **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.

Mr M has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I'd like to explain to Mr M that it is not within this service's remit to tell a business how they should run their security procedures, such as when to block attempted payments, when to refer payments for further investigation, or if they should block access to their app. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct NatWest to make changes to their policies and procedures, if necessary.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent fraudulent transactions. Sometimes they identify and block legitimate payments that a customer wants to take place. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly.

I've looked at the terms and conditions which were in place at the time of the block to see if these reference NatWest being able to block a payment to Mr M. Section 2.2 of the terms set out when they can delay or refuse to act on Mr M's instructions. Here, NatWest had concerns about the payment as they thought Mr M could be a victim of a scam, so they acted in line with the terms, and they didn't make the payment.

So I'm satisfied that they were fair to block the payment based on the reasons given in this section of the terms. While of course I have a great deal of sympathy for the position that Mr M found himself in, especially given his serious health conditions that he's told us about and the impact this decision had on him, I can't say they've made an error here in trying to protect Mr M's funds. The branch process is different to the process over the phone, and I can see the submission the branch made on the Monday after the original attempt to get the payment authorised and the rationale they provided. The payment was attempted via a different method also, hence a different process (Friday was a mobile banking payment, Monday was a Clearing House Automated Payment System – CHAPS payment).

I've listened to the phone call that Mr M had with the NatWest fraud call handler on 22 September 2023. While I'm not persuaded the call handler was arrogant, there were times when the call could have been handled better by the call handler as there were times where Mr M and the call handler talked over each other.

While the call lasted 37 minutes, I'm not persuaded that the length of the call was unreasonable. The call handler asked Mr M questions and Mr M asked the call handler questions which the call handler answered. The call handler even put Mr M on hold for a brief period to speak to a colleague for further guidance, and he apologised for the hold time when he returned. So while I have a great level of empathy for the position Mr M found himself in at the end of the call, I'm unable to conclude NatWest made an error or breached their terms and conditions by not processing the payment, even in Mr M's situation taking into account his health and personal circumstances that he made them aware of on the call.

I say this because NatWest had concerns about the payment, therefore although Mr M has set out the impact this had on his health, it would arguably have had a bigger impact on his health if the money had been lost to a scam. While Mr M knew this wasn't a scam, NatWest have legal and regulatory obligations they need to follow and they need to be confident Mr M wasn't being the victim of a scam also, which in this instance, the call handler had concerns, and acted in line with the agreed terms and conditions here to prevent the payment leaving Mr M's account.

I've listened to a call on 25 September 2023. This is where Mr M rings up about his online banking and app being suspended. He is transferred to the fraud department. NatWest have

not been able to locate the call recording with the fraud department here, so I'm unable to listen to this call. But they have located a system note about the call, which says the faster payment fraud team have informed the customer they are unable to remove the restrictions on the account at this stage. But it doesn't say why.

On the same day Mr M rings NatWest again. I've listened to this call. The call handler reiterates what the note from the earlier call says, and he gives Mr M a telephone number. Mr M rings that telephone number and the call handler places him on hold to look into this for him. He returns to the call and tells Mr M a different team is dealing with it, but there is a five working day timeframe, and he will need to wait for someone to give them a call.

Mr M tries to speak to the relevant department on 27 September 2023, but he is unable to get the restriction lifted. NatWest say that they rang Mr M on a withheld number, but as he didn't answer they left voicemail messages on both his home and mobile telephone numbers requesting that Mr M called them back with a direct number given on 25 September, 2 October, 9 October and 23 October 2023.

I've considered whether NatWest have let Mr M down with the restriction of his app and online banking. I've again looked at the terms and conditions to see if they can do this. Section 5.3 of the terms does set out that they can limit the use of his account and services. It states "*We may suspend or restrict the use of your accounts, or certain services (such as your debit card or online banking)*", and a list of reasons are given. Amongst these reasons are "*we reasonably believe it's appropriate in order to protect your account*".

Given that NatWest had thought Mr M was being a victim of a scam (although he wasn't), I don't find it unreasonable that they would take this step to restrict his online banking/app access, to prevent money being lost to scams while they investigated what happened.

While the terms do give NatWest the power to restrict the online and app access – and they did this prior to Mr M making the successful payment in the branch after the weekend, section 5.3 also says that "*We'll explain why we've taken any of these steps, unless we're unable to contact you or there's a legal or security reason which means we can't provide an explanation*".

So it does appear from the voicemails NatWest say they left Mr M that they did try and contact him about this issue. They have sent us system notes to show that they rang Mr M's home and mobile number, so it's not clear why Mr M didn't get their voicemails. The notes also show NatWest sending him a text message for him to call them back on three of the four dates they left voicemails for him. But I do think there's more that NatWest should have done in ensuring the restriction on his app was removed sooner than when it actually was.

Ultimately, NatWest removed the restriction without ever speaking to Mr M, which means they could have done this at an earlier point. NatWest have confirmed to me that a further follow up had been diarised to contact Mr M about this on 20 November 2023, and a decision would have been made to remove the restriction, but when they received contact from our service, they contacted the member of staff who had been trying to contact Mr M who agreed the restriction could be removed.

I'm persuaded that Mr M had made it clear that he was also complaining about this issue on his calls on 25 September 2023. I can see NatWest issued their response to Mr M's complaint on 11 October 2023. While it is not for this service to say how NatWest should investigate complaints, I'm persuaded that NatWest missed an opportunity here to contact the member of staff who left messages for Mr M, and the restrictions probably should have been removed at this point at the latest in my opinion.

So I am persuaded that while NatWest were entitled to place the restrictions on Mr M's online banking and app (even though this would be frustrating for him), they could have removed the restrictions at least a month earlier than they did, which could have saved him further inconvenience.

As I've previously mentioned, while I can completely sympathise with the situation Mr M found himself in especially based on his health conditions and personal circumstances, I can't say NatWest acted against the terms by not allowing the payment originally when they had concerns about the payment. And they didn't act against the terms by restricting access to his online banking or the app. But as I'm persuaded that they could have removed the block sooner than what they did, then I do think they let Mr M down here.

So I've considered what would be a fair outcome for this complaint. NatWest have paid Mr M £75 as a result of his complaint. But as this is in line with what I would have awarded Mr M for the delays in removing the restriction on his app, it follows I don't require NatWest to do anything further here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 March 2024.

Gregory Sloanes  
**Ombudsman**