

The complaint

Mr K is unhappy with the service he received from National Westminster Bank Plc ("NatWest") surrounding a large payment they flagged for further security checks.

What happened

To briefly summarise: Mr K attempted to make a large payment through NatWest online banking. The payment was flagged for further security checks by NatWest, and Mr K spoke with NatWest on the phone to authorise the payment. NatWest's agent asked Mr K to visit a NatWest branch to verify his identity in person, which Mr K did.

While in branch, Mr K was asked to speak with NatWest's fraud department on the telephone, who wanted to ask Mr K some questions about the transaction. Mr K didn't feel this was necessary, and so declined to answer the questions. Because of this, NatWest wouldn't process the payment as he had instructed. Mr K wasn't happy about this, so he raised a complaint.

NatWest responded to Mr K but didn't feel they'd done anything wrong by flagging the payment for further checks or wanting to question him about the payment as they had. Mr K wasn't satisfied with NatWest's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel NatWest had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr K remained dissatisfied, so the matter was escalated to an ombudsman for 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.

Mr K was attempting to make an unusually large transaction on his account, and this transaction was flagged by NatWest's automated fraud prevention systems. Such systems are used by financial institutions to flag account activity that may be of concern and to prevent further usage of an account where it's felt that there is a possibility that fraud may be potentially occurring.

Indeed, it must be noted that financial institutions such as NatWest have an obligation to employ such systems to comply with banking regulations which require banks to have systems in place to protect their customers' accounts, as much as possible, from acts of attempted fraud. As such, given the unusually large nature of the transaction, I'm satisfied that it was reasonable for NatWest to flag the payment for further checks as they did.

Additionally, it's incumbent on banks to employ these systems with a degree of vigilance – to err on the side of caution, as it were – which unfortunately means that there will be instances where legitimately authorised transfers are flagged erroneously by the fraud prevention systems. This is what appears to have happened in this instance. But as alluded to above, I feel that such caution is understandable and necessary, and so I don't feel that this is unfair.

When the payment was initially blocked, Mr K spoke with NatWest on the telephone. Mr K was unhappy that the payment had been blocked and with the nature of the questions he was being asked by NatWest's agent. This led Mr K to interact with NatWest's agent in a way which that agent found to be rude such that they terminated the call with Mr K. I've listened to a recording of this call, and I'm satisfied that it was fair and reasonable for NatWest's agent to have terminated the call as they did.

Mr K was then asked to visit a NatWest branch to verify his identity in person, which Mr K did. But he was unhappy that after confirming his identity in branch that he was asked to speak with NatWest's fraud department on the telephone, who asked him questions about the payment which he felt were unnecessary and which he refused to answer.

I don't feel that it's unreasonable for NatWest to require Mr K to verify his identity in branch, given his reluctance to meaningfully engage with NatWest's agents on the telephone. And, given NatWest's obligations to protect their customers' money, I also don't feel that it was unreasonable for NatWest's fraud department to want to speak with Mr K about the payment he was attempting to make and to ask questions designed to confirm, to NatWest's satisfaction, that Mr K wasn't in the process of being scammed.

In short, I feel that Mr K unfortunately became frustrated at necessary processes that NatWest fairly and reasonably felt they were required to complete to remain in compliance with their own obligations before allowing the payment instructed by Mr K to complete.

It also must be noted that Mr K could have mitigated against the consequences of NatWest not processing the instructed payment about which he is now unhappy by simply complying with the requests of NatWest's agents on the initial phone calls or when he spoke with NatWest's fraud department in branch. And I can only reiterate that I'm satisfied that NatWest's requests in these regards were both fair and reasonable.

Ultimately, it's for NatWest to set their own requirements as to what they require to consider a payment to have passed their security concerns, and it isn't for a customer such as Mr K to dictate to NatWest the process that they should follow.

All of which means that I don't feel that NatWest have done anything wrong or acted unfairly here as Mr K contends. Rather, I feel that NatWest followed a reasonable process, but that Mr K of his own volition chose to not comply with that process and thus, by his own actions, caused NatWest to be unable to complete their reasonable process and to therefore be unable to process the payment as Mr K wanted. And it follows from this that I won't be upholding this complaint or instructing NatWest to take any further or alternative action.

I realise this won't be the outcome Mr K was wanting, but I trust that he'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 January 2024.

Paul Cooper
Ombudsman