

## **The complaint**

Mr T complains that National Westminster Bank Plc would not process a Clearing House Automated Payments System (CHAPS) payment for him.

## **What happened**

Mr T says he visited a NatWest branch to make a CHAPS payment of £300,000 to assist with a property purchase, but he says the branch staff refused to process the payment for him, without legal documents evidencing what the payment was for, resulting in him losing out on £18,000 in potential earnings. He said that he upgraded his account, and he was able to transfer a payment of £250,000 to a savings account, and NatWest never questioned him on that payment. Mr T made a complaint to NatWest.

NatWest did not uphold Mr T's complaint, but as a gesture of goodwill they said they have credited his account with £50. They said staff required further evidence as this was a large payment and it was out of the ordinary in relation to the usual transactions on his account. They said they had a duty of care to ensure his funds are not at risk due to a potential scam or other adverse activity. They said the payment request was refused as the branch staff weren't satisfied that enough evidence had been provided to allow the payment to be processed. Mr T brought his complaint to our service.

Our investigator did not uphold Mr T's complaint. She said NatWest acted in a fair and reasonable manner when they declined to make the payment. She said due diligence and due process was followed when NatWest requested supporting evidence to satisfy their duty of care to protect Mr T's funds and to verify the legitimacy of the payment. These actions were in line with the terms and conditions for Mr T's account, specifically paragraph 2.2. Our investigator also explained how Mr T was able to make a payment for £250,000 without the same types of checks after he had upgraded his account.

Mr T asked for an ombudsman to review his complaint. He said the information NatWest required changed throughout the encounter, and he had in his possession a legally binding signed document from his friend, but then NatWest told him it needed to be a solicitor's letter. He said the £250,000 payment was not facilitated via voice identification. Mr T said that NatWest gave our service false statements such as him drawing up a loan agreement with his solicitor, his father gave him money as he had fraud on his account and he didn't have a letter with him on the day he made the payment.

## **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 T 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 T 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, and what evidence they should request or accept in order to make a payment. 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 will refuse to make legitimate payments that a customer wants to take place if they have concerns about the payment. 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 of the account to see if NatWest could refuse to make a payment Mr T asks them to make. Section 2.2 of the terms set out when they can delay or refuse to act on Mr T's instructions. Here, NatWest had concerns about the payment as they thought Mr T could be a victim of a scam, so they acted in line with the terms, and they didn't make the payment.

While Mr T says he had a legally binding agreement with his friend (NatWest dispute Mr T had a letter with him on the day) to lend him the money. But the terms are clear that they can refuse to act on his instructions. It would be for NatWest to decide what evidence they require in order to satisfy themselves that the payment is genuine, and Mr T was not being coerced into making a payment. So I'm not persuaded that the information Mr T says NatWest told our service which was false had an impact on what happened here, as he was unable to produce the evidence they asked him for – even if Mr T thought this was an unreasonable request, or if they changed their requirements from him.

So I can't say NatWest were unreasonable to refuse to make the payment based on what the terms of the account say. I can't say they broke any regulator rules by doing this, as they have a duty to protect a customer's money, and without proportionate checks they could be breaching their duty of care. And I'm satisfied they treated Mr T fairly by acting in line with the agreed terms of the account. While of course I have a great deal of sympathy for the position that Mr T found himself in, as he says the payment was genuine and he's lost out on £18,000, I'm unable to say NatWest made an error in trying to protect Mr T's funds.

I've considered what Mr T has said about the £250,000 payment that he made where NatWest allowed this payment to be processed without further scrutiny, unlike the £300,000 payment. But I would expect NatWest to look at each payment individually. And although NatWest had a concern about one payment, it doesn't mean that they would have the same concerns on every other payment Mr T attempted to make.

I've noted that these payments were different as the £250,000 was made to an account in Mr T's own name, unlike the £300,000 refused payment. The call handler asked Mr T questions and she was satisfied the payment was genuine, so she processed the £250,000 payment. So I'm unable to say that NatWest should have done something different here. So it follows I don't require NatWest to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 May 2024.

Gregory Sloanes

**Ombudsman**