

The complaint

Mr M is unhappy about the way National Westminster Bank Plc handled his fraud claim. He's also unhappy that NatWest closed his account.

What happened

In April 2019, Mr M was the victim of a distraction fraud. Mr M used his bank card in a machine to pay for parking whilst he attended a hospital appointment. After he'd done so he was approached by a man who told him he'd be fined for parking where he had left his car. And told him he needed to use the car parking machine located in the hospital grounds. Mr M believed what the man said, convinced he might be fined £150, he went with the man to use the parking machine. On his way to the machine a second man joined him and confirmed what he'd been told by the first man.

Mr M put his bank card in the parking machine, entered his registration number and PIN – being careful to hide his PIN as best as he could with his hands. The machine appeared to take Mr M's card. Mr M then put a second bank card in the machine and the same thing happened. Mr M started to walk around the machine looking for a contact number to report what happened. Whilst he did so he noticed that the two men had walked quickly away from the machine. Soon after Mr M's card was used to make four fraudulent transactions. Mr M reported what had happened to the hospital security guard and was told that fraudsters were tricking people to use the machine and stealing bank cards. As a result of the fraud, £1,600 was taken from Mr M's account.

Mr M complained to NatWest about what had happened. And he asked the bank to refund him the £1,600. NatWest investigated Mr M's fraud claim but said Mr M hadn't taken adequate care of his banking security information – his PIN, so it wasn't willing to refund him. NatWest also decided to close Mr M's account.

Mr M complained to NatWest and maintained that he hadn't carried out the disputed transactions or that he'd been careless when entering his PIN into the car parking machine – he said he'd clearly been the victim of thieves and had reported the matter to the police. Mr M tried to obtain CCTV footage from the hospital car park and the venues where his card had been used to support his fraud claim. But NatWest continued to decline his claim.

Mr M made numerous phones and wrote several emails and letters to the bank about his fraud claim to appeal the bank's decision. Mr M says he had great difficulty working out how to contact NatWest, he was passed from pillar to post each time he spoke to someone at the bank and when he did speak to staff, they were rude, dismissive and unhelpful. And the bank didn't keep him updated about what was happening. So, he brought his complaint to our service.

Initially one of our investigators looked at Mr M's complaint and said NatWest hadn't done anything wrong when it declined his fraud claim. However, we looked again at the circumstances of Mr M's complaint and obtained more information from him. After looking at everything again the investigator said Mr M hadn't been grossly negligent when he'd entered his PIN and used his

bank card in the car park machine. So, we asked NatWest to refund the disputed transactions to Mr M. The investigator also said NatWest had provided Mr M with poor service and should pay him £100 compensation for the trouble and upset he'd suffered. The investigator didn't think the bank had done anything wrong when it closed Mr M's account.

NatWest agreed to refund the disputed transactions to Mr M along with interest for loss of use of his funds and pay him £100 compensation. Mr M was happy the bank had agreed to refund his money. But he said the £100 compensation doesn't reflect the amount of trouble and upset he'd suffered. He said he'd been to a great deal of trouble trying to secure CCTV footage and speaking to the police in efforts to get the bank to refund him. He's also said the whole matter has taken a toll on his health. And that the bank told him to contact the police to sort things out. So, he feels NatWest should pay him additional compensation. He also wants the bank to reopen his bank account.

As no agreement could be reached, the matter has come to me to decide.

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.

The investigator wrote a detailed view that sets out the full facts, the transactions, and the evidence. Mr M and NatWest have read the investigator's view. So, I won't repeat every detail here, only those which form the basis of my decision. However, I can assure Mr M that I've read the file, including his most recent comments and evidence.

Firstly, I'm pleased to see that NatWest has agreed to refund Mr M the money he lost as a result of the fraudulent transactions – a total of £1,600. It's also agreed to pay Mr M interest at a rate of 8% for loss of use of his funds, which Mr M has accepted. So, I need only address Mr M's remaining complaint points – whether NatWest should do more to put things right and whether it treated Mr M fairly when it closed his account

Mr M wants NatWest to pay him more compensation. He says the bank didn't deal with his fraud claim well and he says he had to do all the 'donkey work' to support his fraud claim. And the bank simply told him to report the matter to the police. He's explained he went to the venues where his card was used by the fraudsters. And went back to the hospital to speak to security staff to try and get CCTV footage so that he could provide this to the bank. He says he spent a great deal of time going to the police – all to try and show he'd been the victim of fraud and help catch those responsible. Although the police confirmed they couldn't find the offenders – Mr M says he spent a lot of his time trying to sort out what had happened. All of which he feels should have been done by the bank. This has caused him a lot of stress and impacted his health.

As Mr M was the victim of fraud. I don't think it was unreasonable for NatWest to tell Mr M to report the matter to the police. Afterall, the police are best placed to conduct criminal investigations which includes gathering evidence such as CCTV footage and identifying those responsible – it's their job. Mr M has provided copies of emails he sent to NatWest and the police asking them to share information. And kept them up to date with his enquiries. In response, I can see that the bank was keen to obtain any information from the police to assist Mr M's fraud claim such as CCTV footage and it cooperated with the investigation via its police liaison department.

I appreciate Mr M was very proactive and went to good deal of trouble and effort to try and assist the investigation and obtain evidence of the fraud - he spoke to security staff at the

hospital, visited the venues where his card was used by the fraudsters to obtain CCTV, submitted photographs of the parking machine, and maintained contact with the police. I know Mr M feels that the bank should have been making the enquiries he undertook and that he was doing all the 'donkey work.' I can understand why Mr M feels as he does. He was doing his level best to convince the bank he wasn't responsible for the fraud. But I can see NatWest checked whether any useful evidence had been provided to its police liaison team when looking into Mr M's fraud claim. And I wouldn't have expected them to do more whilst it was still investigating whether the transactions were fraudulent and how they happened.

It's clear from what Mr M has told us that he feels strongly about his complaint. Being the victim of fraud, is stressful. And I don't doubt that this has been a very worrying and upsetting time for Mr M, especially as NatWest initially declined his fraud claim. But having looked at the circumstances of this case, I don't think it would be fair to say that NatWest caused all the trouble and upset Mr M's experienced. After all, NatWest didn't carry out the fraud which resulted in Mr M losing his money.

However, turning to the customer service provided there have clearly been some issues. NatWest has already agreed that it did not handle things well. And should have provided Mr M with better service. It agrees that Mr M wasn't provided with updates and he had to continually chase the bank, and when he did speak to the bank, he was passed from pillar to post, which caused him trouble and upset. And although it no longer has any call recordings of conversations with Mr M it accepts the service Mr M received fell short of what Mr M wanted. It's unfortunate that no recordings are available. But I think it's fair to say this added to Mr M's worry at an already stressful time and I agree some compensation is appropriate for this. NatWest has agreed to pay Mr M £100 compensation for the trouble and upset he suffered as a result of its poor service. Overall, I think this offer is fair, and so I won't be asking the bank to do anything more.

I then turn to the bank's decision to close Mr M's account. It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

NatWest has explained that it is a normal part of its process to carry out further checks after a fraud claim is raised, which included looking at information recorded at credit and fraud prevention agencies. Following completion of these checks NatWest decided to close Mr M's account. And on 25 April 2019, it told Mr M that his account would be closed in 14 days. Having looked at the information, I don't think this was unreasonable. So, whilst I can appreciate Mr M was no doubt upset, I don't think NatWest acted unfairly when it decided it no longer wanted to offer Mr M an account. So, I'm not going to tell the bank to re-open it.

Putting things right

As NatWest have previously agreed to refund Mr M the disputed transactions. NatWest should put things right by:

- Refunding Mr M the disputed transactions sum of £1,600
- Pay Mr M 8% simple interest from the date of the transaction to the date of settlement
- Pay Mr M £100 compensation for the trouble and upset caused

My final decision

For the reasons given above, National Westminster Bank plc should put things right for Mr M in the way that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 March 2021.

Sharon Kerrison
Ombudsman