

## **The complaint**

Miss S complains about National Westminster Bank Plc (NWB) and their failure to provide her with an activation code that allowed her to access her online banking while she was abroad.

## **What happened**

Miss S held a current account with NWB. In November 2020, Miss S tried to access this account via her mobile banking app whilst she was abroad as she needed to make a payment to her university. But she was unable to do so as she needed an activation code which had been sent to her registered mobile, which was still in the UK. And Miss S said been unable to make the payment through telephone, as the transaction needed a One Time Passcode (OTP) which had also been sent to her registered mobile in the UK.

So, Miss S called NWB to discuss this and it was agreed an activation code would be sent to her registered UK address. But Miss S says she didn't receive the letter with this code. And when Miss S called NWB to chase where it was, she says she received conflicting information from the advisors. So, she raised a complaint.

Miss S was unhappy that she'd been left unable to access her mobile banking as no activation code had been received. And she was unhappy with the number of calls she'd made chasing this, with conflicting information being given each time. Miss S explained she need access to her account to pay for her university fees and had needed to travel to a bank near her in Romania to withdraw cash to ensure this was paid. So, she wanted to be compensated for the upset and inconvenience this caused.

NWB responded and upheld the account. They thought they had acted fairly when sending Miss S an activation code to her UK address as this was the only alternative method to receiving a text. And they were satisfied this code had been sent so didn't think they were responsible for any issues with its delivery. They recognised Miss S updated her address with them after this code was sent but acknowledged Miss S said she had friends still at the previous address who would have provided the code to her. And they explained the OTP had been sent to her mobile correctly, in line with their process.

But NWB did recognise the service Miss S received when she'd called them to chase the location of the code fell below the standards they'd expect. So, they offered Miss S £150 to recognise any upset she was caused and explained a new activation code would be sent to her new address. Miss S remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They explained they couldn't hold NWB responsible for the first letter not being received, as they were satisfied it was sent. And they thought the £150 they offered was reasonable to recognise the upset Miss S had been caused when she chased them for updates on where that letter was.

But they noted NWB stated they had arranged for another activation code to be sent by letter in their complaint response. And instead, it had been sent by mobile when they were aware

Miss S wouldn't be able to receive this. And they didn't think this was fair. So, they thought NWB should pay Miss S another £100 to recognise the further inconvenience this caused Miss S.

Miss S didn't agree. She explained she'd been unable to pay her university fees as she was unable to access her account. As a result, Miss S believed she'd lost the opportunity to study in the UK and had been unable to study for a year overall. So, Miss S wanted the compensation NWB offered to be significantly increased and for her first instalment of her fees, which she had been able to pay, to be refunded. As Miss S didn't agree, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Miss S. From what I can ascertain from the evidence and comments available to me, it seems Miss S was abroad for a period of time due to the COVID-19 pandemic and the restrictions that were imposed. And I appreciate how stressful that would've been in itself. So, I can understand how this would've been made worse by Miss S' inability to use her mobile banking app and the difficulties she faced in accessing this, due to her UK registered mobile not being with her at the time.

And I recognise Miss S says her NWB account had the funds needs to pay her university fees. And to do this, she needed access to her online banking to do so. Miss S says she never received this and so, she was unable to pay her university fees meaning she lost her chance to study in the UK altogether, and study at all for a year. I can understand how upsetting this would be for Miss S.

But for me to say NWB should compensate Miss S for the losses of studying in the UK and at all for a year, I'd need to be satisfied that it was NWB's error that was the sole cause for these. And having considered this, I don't think that's the case. And I'll explain why.

First, I've thought about whether NWB did anything wrong when the first activation code was requested in November 2020. Miss S has confirmed she didn't have her UK registered mobile phone available. So, an activation code wasn't an option. NWB have confirmed an activation code to access online banking can be sent one of two ways, by text or by post. As a text wasn't an option, I think NWB acted fairly by sending the activation code by post.

And I can see this code was sent by this method on 24 November 2020, to the most recent address Miss S had provided them with. Although I recognise Miss S updated her address shortly afterwards, I don't think NWB would've known this needed to be updated when they posted the activation code. And even so, Miss S confirmed to NWB that she still knew residents of that address who could pass the code onto her, so I don't think this makes a material difference to my decision.

Miss S says this code wasn't received. And as NWB don't dispute Miss S chased them for the whereabouts of the code, I think it's reasonable for me to assume it wasn't. But crucially, I don't think this is the fault of NWB. I can see NWB sent the code to the address listed, and

that's all I'd expect NWB to do as that is all that's within their control. Any issues with the delivery of the code would be the responsibility of the postal service and it'd be unfair for me to say NWB acted unfairly because of this.

But NWB don't dispute Miss S was given conflicting information when she called them to chase the whereabouts of the code. As it's not in dispute, I don't intend to discuss the error itself any further. NWB offered Miss S £150 to recognise the upset this caused, and I've considered this offer later in the decision.

I've seen that, as part of their response to Miss S' complaint, NWB explained a new activation code would be sent to the new address she provided. But I've seen system notes which show this code was sent by text, rather than by letter. And at this point, I think NWB should've been reasonably aware Miss S was unable to access any codes by text. So, I think this prolonged the length of time Miss S was without access to her online banking and I think this shows NWB acting unfairly. So, I've then thought about what I think NWB should do to put things right, while considering any offers they've already made.

### **Putting things right**

I'm aware Miss S believes NWB's error has caused her to lose the chance of studying in the UK as well as being unable to study for a year as she didn't have the funds available to pay her university fees. So, she wants to be compensated for this, plus received a refund of the instalment she was able to pay. But as I explained earlier in my decision, for me to say NWB should do this, I'd need to be satisfied they made an error which was the sole reason Miss S couldn't attend university. And I don't think that's the case.

As I've already explained, I think NWB sent the first activation code fairly. But I agree they didn't send a second one as I'd have expected them to. But even so, I don't think this stopped Miss S' access to the funds in her account. Miss S has already confirmed she was able to withdraw cash from this account and transfer it onto another account she held in the country she was located, which she could then make payments from. So, although I recognise the inconvenience this would've caused Miss S as she says she had withdrawal limits, I don't think this means Miss S had no way of paying the university fees. And this is supported by the fact Miss S was able to pay an instalment, even though she says this was completed late.

I'm also aware Miss S says she tried to make payments via phone, but needed an OTP sent to her UK registered mobile to complete these transactions. I'm satisfied if an OTP was needed, then NWB acted fairly and in line with their processes by sending it to Miss S' registered phone. But from my understanding, OTP's are only required for online purchases and not phone transactions. So, I do think Miss S should've been able to make payments in this way and even if she wasn't, I don't think this was because of anything NWB did wrong. For these reasons, I'm unable to say NWB are responsible for Miss S' situation regarding her studies, as she did have access to her funds albeit not in the way she wished. So, I've considered this when deciding what I think NWB should do.

NWB have offered Miss S £150 to recognise the upset and inconvenience she would've felt following the conflicting information she received when chasing her activation code. I think this offer is a fair one, and in line with what I would've directed had it not already been made for this aspect of the complaint. So, I don't think NWB need to do anything more in regard to this.

But I do think NWB failed to re-issue the activation code to Miss S new registered UK address in October 2020 as they said they would do. And I think this delayed Miss S' ability to access her online banking. And I think this would've been frustrating and inconvenient. But

I also need to consider the fact from the date of NWB's response, I can't see evidence that shows Miss S contacted NWB again to query why the second code hadn't been received. While I appreciate Miss S may have not wanted to do so, I recognise Miss S believes her lack of online banking had a significant on her life due to it's impact on her studies, so I would've expected her to do so. Considering all of this, I think the additional £100 our investigator recommended is a fair one, and in line with what I would've directed had it not already been put forward. So, I think NWB should pay Miss S a further £100 to recognise their error when issuing the second activation code.

I understand this isn't the outcome Miss S was hoping for. And I want to reassure her I've carefully considered the points she's raised about her education and the impact this issue has had on that. But as I've explained, I don't think NWB's failures were the sole reason for Miss S being unable to complete her studies as she intended, and I hope this decision provides some form of closure to Miss S.

### **My final decision**

For the reasons outlined above, I uphold Miss S' complaint about National Westminster Bank Plc and I direct them to take the following action:

- Pay Miss S an additional £100 to recognise the inconvenience and upset she would've felt when they failed to issue her second activation code as they'd stated they would.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 15 March 2022.

Josh Haskey  
**Ombudsman**