

The complaint

Mr B complains that he got poor service from National Westminster Bank Plc (NatWest).

What happened

Mr B was a vulnerable customer and was given access to a dedicated helpline with NatWest. He called the helpline to set up a standing order but was told he had insufficient security to do that. To set that up, NatWest sent him an activation code - even though he said he didn't want to have online banking. NatWest sent Mr B a card reader to set up the activation code – which he objected to as he didn't want online banking. NatWest then sent to Mr B an activation code by text message.

Mr B complained. He said that when he called the helpline, he received a poor level of service – including questions as to why he was using the helpline. He said he didn't want to have online banking, and yet NatWest still sent him an activation code to set that up. And they then sent him a card reader – again even though he didn't want to have online banking. He said he was also told that an activation code could be sent to him by text when in fact, it couldn't be guaranteed that it could be so. And despite that, NatWest did send him the activation code by text message. He said he'd been most distressed by the overall experience.

NatWest apologised and said they'd not provided a good service to Mr B. They paid compensation of £150 for the service Mr B first experienced on the helpline, and a further £200 for the issues surrounding the further telephone and online banking errors.

Mr B brought his complaint to us. Our investigator acknowledged that NatWest's service had fallen short. He agreed with NatWest that they should pay further compensation of £75.

Mr B disagreed. He believed NatWest should pay another £250 for what happened – this was put to NatWest by us. NatWest declined to pay this amount. They said that compensation of £425 (£150 plus £200 plus £75) was fair for what happened. So – Mr B's complaint came to me to look at.

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.

I've looked at Mr B's complaints and it's clear that his experiences with NatWest have fallen short.

When he first called NatWest's dedicated helpline for vulnerable customers, the initial questioning and conversations weren't helpful – and Mr B wasn't treated fairly. But also – I can see that NatWest upheld his complaint, apologised, and paid compensation of £150. So - I think that was fair.

On Mr B's complaint about the setting up of security – so he could set up a standing order. It's again clear that NatWest fell short of the service levels they want to achieve. While Mr B had told NatWest - he didn't want to be set up for online banking, they still sent him an activation code, and then a card reader – which both served to set up online banking. They then said they'd send an activation code by SMS text – but then reversed this and said they couldn't. NatWest said that in fact, an agent couldn't choose the method by which an activation code could be sent – it was a random selection for security reasons. Mr B still questions whether that was the case – because he did indeed receive an activation code by text. This created some confusion and concern on the part of Mr B. NatWest apologised for Mr B's experiences and paid compensation of £200.

I can see that Mr B has argued that this level of compensation isn't enough. He says he suffered a lot of anxiety and stress, impact on his health and personal well-being. He said that given the number of mistakes made by NatWest, the compensation should be increased.

So – I've considered this. Our service has set out some criteria by which to consider the appropriate amount of compensation for stress and inconvenience. This says "An award between £100 and £300 might be fair where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation". This can be found on our website. I've carefully considered what happened to Mr B – and I think it's fair to say that his experiences fall into this definition – so a compensation award of up to £300. While I've no doubt that what happened was very inconvenient and stressful and took a lot of effort to sort out – and I completely understand that - the only clear impact was that Mr B couldn't set up a standing order. And while that was inconvenient, I haven't seen anything which suggests there was a significant financial impact.

And so, for these reasons, I think an award of £425 (in total) is a very fair outcome here. This will require NatWest to pay a further £75 - which they've agreed with us.

My final decision

NatWest has already made an offer to pay £75 to settle the complaint and I think this offer is fair in all the circumstances. This is in addition to the £350 already paid.

So my decision is that National Westminster Bank Plc should pay a further £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 May 2022.

Martin Lord
Ombudsman