

The complaint

Ms C complains about National Westminster Bank Plc (NWB) and the service they provided when she attempted to arrange a CHAPS payment following the sale of her house.

What happened

In late 2021, Ms C was in the process of selling a property in the UK. So, in October, Ms C contacted NWB and asked for guidance on how to transfer the proceeds of this sale to a broker for investment purposes.

But Ms C was unhappy she'd been removed as a Premier Banking Customer. She was also unhappy with the advice she received from NWB during the payment process. And she was unhappy this led to the CHAPS payment she eventually arranged being paid to her broker a day late, which she felt caused her a financial loss on her investment. So, she raised a complaint about this. Ms C explained that to resolve her complaint, she wanted NWB to cover her financial loss alongside being compensated for the upset and inconvenience she'd been caused.

NWB responded and upheld the complaint. They agreed they had failed to make Ms C aware her banking status had changed. They also agreed they had provided conflicting information, as well as failing to contact Ms C when they agreed to do so. And they accepted that because of this, Ms C's CHAPS payment had been received by her broker a day later than planned. So, they paid Ms C a total of £283 to recognise the inconvenience this caused. But they didn't think they were liable for Ms C's financial loss, as they deemed it to be consequential. So, they didn't think they needed to cover this. Ms C remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld. They thought the £283 NWB had paid Ms C was a fair offer to compensate her for the inconvenience she'd been caused. But they explained they had seen direct evidence that showed Ms C had incurred a loss of £2,992.38 due to the day delay in her CHAPS payment being sent to her broker. And they were satisfied this loss wouldn't have occurred, had NWB acted fairly. So, they thought NWB should pay Ms C this amount to resolve the complaint.

Ms C agreed with this recommendation. But NWB didn't. They didn't think they had an obligation to reimburse a customer's loss on investments. And they didn't think our service had the powers to direct this. So, as Ms C used the proceeds of her sale to invest in gold, they didn't agree they should cover the loss Ms C made. As NWB 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.

It's not disputed that NWB acted unfairly when processing Ms C's request for her house proceeds to be transferred by CHAPS to her broker. NWB have already accepted during this process, Ms C discovered she was no longer a Premier Banking Customer, which they agreed was unreasonable. They have also accepted they provided Ms C with conflicting advice, failed to contact her when they agreed to do so and that they failed to process her CHAPS payment on 23rd November 2021 as she requested. And they have accepted all of this led to Ms C's CHAPS payment being processed a day later, on 24th November. As this isn't disputed, I haven't gone into any further details about this.

Instead, my decision focuses on the main current area of dispute, which centres around what NWB should do to put things right.

Putting things right

When thinking about what I think NWB should do to put things right, any award or direction I make is intended to place Ms C back in the position she would've been in, had NWB acted fairly in the first place.

I think it's clear Ms C has been inconvenienced by the poor service she'd received from NWB. It's taken her substantial time and effort to speak to NWB on several occasions, due to the conflicting information she received. And I think she would've been left upset and frustrated when she realised NWB had failed to complete the payment on the day she requested. NWB have already paid Ms C £238 to recognise this impact and I think this payment is a fair one, which falls in line with what I would've directed had it not already been made. So, I don't think NWB need to do anything more for this aspect of the complaint.

But crucially, the payment NWB have already made doesn't consider, or address, the financial loss Ms C incurred due to the delay in payment. I've seen evidence that shows the investments Ms C intended to make on 23rd November would've cost £724,011.19.

But due to the delay, which is accepted by NWB, Ms C's broker didn't receive her payment until the following day. So, the broker couldn't make the investment on Ms C's behalf until 24th November. And I've seen evidence that shows the actual cost of the investment cost Ms C £727,003.57.

As Ms C's broker made the investment on the same day they received the payment from NWB, I think it's reasonable for me to assume that, had the payment gone ahead on the 23rd November, the investment would also have gone ahead that day. So, I'm satisfied that the delay caused by NWB meant Ms C had no choice but to pay an additional £2,992.38, meaning she's been left at a financial loss for this amount.

So, I think NWB are responsible for this financial loss. And because of this, I think NWB should re-imburse this amount to Ms C, to place her back in the position she would've been in, had NWB not caused the one-day delay.

I appreciate NWB believe I service doesn't hold the necessary powers to direct them to reimburse a financial loss that's linked to an investment. But this isn't the case. Our service is able make awards and payments relating to a customer's financial losses, if we are provided with reasonable evidence of it. And I have been on this occasion.

And even so, this financial loss isn't linked to a return on an investment. So, it isn't linked the financial performance of the investment Ms C chose to make, which I appreciate NWB aren't

able to control.

Instead, this financial loss relates directly to the amount Ms C needed to pay to purchase the same amount of gold she intended to purchase the day before. So, while the payment was used to purchase an item for investment purposes, I don't think this has any impact on my decision, or my directed resolution.

My final decision

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

- Pay Ms C £2,992.38 to reimburse her for the financial loss she incurred due to the payment delay.,

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 27 September 2022.

Josh Haskey
Ombudsman