

## **The complaint**

Mr O complains that National Westminster Bank Plc ("NatWest") rejected his application for a Reward account.

## **What happened**

Mr O made an online application for a NatWest account and he wanted to take advantage of an introductory incentive they had at the time.

On the application, he selected his nationality as ..... and then was asked to provide identification. He was given the option of providing a resident permit or relevant visa documents. However, Mr O did not have a resident permit or visa as he has dual citizenship and therefore tried to use his British passport and driving license as proof of his identity. These documents were rejected by the system and after three attempts, his application was declined automatically.

Mr O received an e-mail informing him that his application had been rejected but this did not give him a reason as to why. Mr O applied for an account with a different bank which is in the same banking group as NatWest. He had to go through the same application process but this time he selected his nationality as British and he had no issues opening the account. He feels he has been discriminated against because he has dual nationality and says this has caused him pain and suffering. As a result, he would like £5,000 compensation, plus the £150 incentive offer and ten years' worth of the £5 monthly benefit of the account he missed out on which he says totals £600.

NatWest issued a final response in which it explained that as Mr O was trying to upload documents that didn't relate to a 'resident permit', they were automatically rejected. They apologised that this had not been clearly explained to him and offered him £75 compensation. Mr O disagreed with this and raised a further complaint. NatWest issued a second final response letter essentially repeating what it had said before, but increased the level of compensation to £100. It also offered Mr O an alternative option in phoning the Exceptions team to open the bank account.

Mr O referred his complaint to our service. In their submission to us, NatWest recognised it missed an opportunity to explain to Mr O in its first final response letter that as he had dual citizenship, he could have selected British as his nationality and the application would have been successful. And if they had have done, they felt Mr O could have received the incentive still. As a result, they offered Mr O £150 and said that this was in addition to the £75 compensation he had already been paid previously.

Our investigator looked into the complaint. They felt that there was a misunderstanding about the documentation that was required and that had Mr O selected his nationality as British, the application would have succeeded. They felt that the offer of £150 to cover the incentive that was missed, plus £100 compensation was fair in the circumstances. They did not agree that NatWest should pay Mr O the £600 he was claiming as there was no way to quantify the potential loss he incurred.

Mr O disagreed with the outcome. He felt that the system forcing him to use his British nationality over his ..... one was discriminatory and that he should have been given a reason why his application was rejected at the first stage. He still felt he should receive the £600 he calculated in lost monthly benefits from having the Reward account and he again requested £5,000 in compensation.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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 think the total of £250 compensation previously recommended is fair in the circumstances. I'll explain why in more detail.

The first thing I need to clarify is the fact that this service is unable to make findings on whether or not something constitutes discrimination as per the Equality Act 2010, this is for a court to decide. However, I can consider whether or not the business has acted in a fair and reasonable manner, and in order to do that I will take a number of things, including the Equality Act 2010, into consideration.

I've considered if it was reasonable for NatWest to reject Mr O's online application. When Mr O began his application, he listed his country of birth as ..... and then selected his nationality as ..... also. Because he selected a nationality other than British, I think it was reasonable for NatWest's online system to ask for evidence he had the right to reside in the United Kingdom ("UK") and therefore open a current account legally. Ordinarily, this evidence would either be a 'Resident Permit' or a relevant visa.

However, Mr O did not have either of these documents and so when he tried to use his UK passport and then a driver's license, the system automatically rejected the documentation he provided as they did not match the categories he had selected. Again, I don't think it was unreasonable for the system to reject the documentation as they did not match the documentation the system was expecting to be uploaded. And as it is a fully automated system, there is no human interaction, so no one was able to step in and see if Mr O needed assistance.

I think it therefore follows that it was not unreasonable for NatWest to automatically decline Mr O's account application once he tried to upload an incorrect document three times. And I can understand why they did not give a specific reason as to why the application had been rejected when it e-mailed him. It was an automated response that was not personalised to Mr O and NatWest did not have an obligation at that time to provide a detailed reason as to why the application was declined.

I can see that in one of NatWest's final response letters, they did offer an alternative way for Mr O to apply for the account. This was by telephoning the 'Exceptions' team. However, I can see that Mr O opted to work around the system and take out an account with a separate

provider, but this time he selected his nationality as British.

While I can appreciate it would have been useful for Mr O specifically if there had been an option to upload a UK passport when selecting a different nationality, on balance I don't think

the options NatWest gave to evidence a right to reside in the UK were unreasonable.

NatWest has recognised that they could have explained the reason why Mr O's application had been rejected more clearly in their final response letter. And that if they had have done, Mr O could have successfully applied for the account and taken advantage of the £150 incentive. So, I think it is fair that they have offered to pay him the £150 incentive offer. And I think the additional £100 compensation for any distress and inconvenience caused is in line with what I would have recommended in the circumstances.

Mr O would also like to be compensated the £5 monthly benefit on the account which can be earned as long as certain criteria are met each month. This includes depositing more than £1,250 into the account per month, having 2 or more direct debits and logging into the mobile banking application once a month. I understand that Mr O says he would have completed these tasks and he believes he would have kept the account open for at least ten years, so feels he should receive £600. But I'm only able to consider actual loss, not perceived future loss as Mr O is requesting here. There is no guarantee all the criteria would have been met consistently and there is also no guarantee how long the account would have remained open. So, I do not award any compensation for this aspect of the complaint.

### **My final decision**

I partially uphold Mr O's complaint against National Westminster Bank Plc and direct it to pay him a total of £250 compensation, taking into account any amounts already paid to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 24 February 2023.

Rebecca Norris

**Ombudsman**