

The complaint

Mr P complains that National Westminster Bank Plc (NatWest) was unable to recover funds that were transferred to the wrong person.

What happened

The background to Mr P's complaint and my initial conclusions were set out in my provisional decision. I said:

On 30 April 2021 Mr P made two transfers for the purchase of a vehicle. But due to an oversight, Mr P used the wrong payment recipient when making the transfer. As a result, Mr P's money was transferred to a third party he'd made a payment to previously.

Mr P contacted NatWest on the same day and has told us he was advised to wait 24 hours before submitting a claim to get his money back. Mr P spoke with NatWest again several times in the weeks that followed and raised a claim to get the transfer back.

NatWest contacted the receiving bank (B) to try and reclaim Mr P's funds. The two banks looked into Mr P's claim but the funds weren't returned to Mr P who went on to raise a complaint. NatWest issued several responses, awarding Mr P £150 on 16 June 2021, £25 on 15 July 2021, £50 on 5 August 2021. Whilst NatWest accepted there had been delays with its investigation it didn't offer to refund Mr P's transfers.

Mr P referred his complaint to us and NatWest advised it wanted to increase the compensation offered by a further £100, taking the total award to £325. An investigator at this service looked at Mr P's complaint but thought NatWest had dealt with it fairly and offered a reasonable level of compensation. Mr P asked to appeal, so his complaint has been passed to me to make a decision.

On receipt of the case, I reviewed the file and arranged for our investigator to contact B (the receiving bank). B has since provided evidence that the full funds Mr P transferred to the wrong account were withdrawn on the same day.

What I've provisionally 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.

Mr P has made a number of points and set out a very detailed timeline when bringing their complaint. I've considered and read everything that all parties have said and sent to us. If I haven't directly mentioned something that's happened or responded to each point raised it isn't because I haven't considered it. I have. In line with this service's role as a quick and informal body, I'll be focusing on the key issues of this complaint in deciding what's fair and reasonable. An approach our rules allow me to take. I'd like to assure all parties that no courtesy is intended by this approach.

I've taken the step of issuing a provisional decision here as new information has come to light since Mr P's case was referred to me. I felt there may have been gaps in the timeline

provided by NatWest that indicated it could've conducted its investigations more efficiently. I wanted to get a better understanding of whether delays by NatWest had led to a loss for Mr P. So I asked the investigator to obtain information from B about the account Mr P sent the transfers to on 30 April 2021.

B responded and provided evidence that shows the funds Mr P transferred were withdrawn from the receiving account on 30 April 2021, the date received. I think this is important information. I've been brief in setting out the timeline above, but I'm conscious there are, what I feel to be, unexplained delays by NatWest. In addition, it appears B had to query some of the information included in the initial claim because of the format NatWest used. But, whilst I agree there were some delays and the service provided could've been better, that doesn't appear to have impacted the overall situation.

Once the recipient of the funds withdrew them there was little NatWest could do to retrieve them. And, as I said, the transfer funds were withdrawn on the same day they were received. So even if NatWest's investigation had been conducted more efficiently, the position would remain broadly the same. As a result, I can't fairly say that delays by NatWest impacted whether it was able to recall Mr P's funds.

I have looked at the full timeline of Mr P's case and we have obtained lots of calls he had with NatWest. It's clear Mr P took an active role in trying to recover his money and, as I've said, I found the process could've been handled more efficiently by NatWest. There were gaps in the timeline that appear unexplained and miscommunications with B. I'm satisfied that caused Mr P a reasonable level of distress and inconvenience. So I agree NatWest should compensate Mr P for that.

NatWest paid Mr P a total of £225 when responding to his complaint and has gone on to offer a further £100 taking the total award to £325. Whilst I agree the service provided was poor at times, I'm satisfied the existing settlement fairly reflects the impact to Mr P. In my view, £325 is a fair way to resolve Mr P's case and very much in line with what I would've awarded had no offer been made. As I'm satisfied NatWest has made an offer that is fair and reasonable in all the circumstances I don't intend to tell it to increase the award or do anything else.

I invited both parties to respond with any comments or additional information they wanted me to consider.

Mr P responded and confirmed he didn't accept. Mr P wanted to know when NatWest found out the recipient had withdrawn the funds. Mr P also said it was clear from the evidence that NatWest didn't know what was going on and asked for a detailed timeline setting out what happened. Mr P also asked why NatWest had failed to provide the recipient's details.

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 am very sorry as I understand my provisional decision was unwelcome and that Mr P feels NatWest failed to act with due skill when trying to recover his money. If I had found that delays or service issues from NatWest meant Mr P's chances of retrieving his funds, I would've taken a different approach in this case. But we contacted the recipient's bank and it confirmed the funds deposited were withdrawn the same day. So whilst I accept NatWest could've provided better service to Mr P, I haven't found evidence that shows delays led to the withdrawal being completed before additional steps could be taken by the receiving bank.

I agree the service provided by NatWest was poor at times. NatWest upheld various elements of Mr P's complaint. And in my provisional decision I explained I felt it was fair to increase the compensation to £325 in recognition of the distress and inconvenience caused. I still think that's a fair way to resolve Mr P's complaint, for broadly the same reasons.

Mr P's response also says NatWest failed to provide the details of the recipient. But the recipient was a payee Mr P had paid before. Mr P's complaint submissions confirm he's aware of the individual's identity.

I'm very sorry to disappoint Mr P as I understand the sums involved are substantial. But I haven't been persuaded to change the conclusions I reached in my provisional decision. I still think NatWest's offer to pay Mr P a total of £325 is fair and reasonable in all the circumstances.

My final decision

My decision is that National Westminster Bank Plc should pay Mr P a total of £325 for the distress and inconvenience caused (less any compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 October 2022.

Marco Manente
Ombudsman