

The complaint

Mr H complains about a decision taken by National Westminster Bank Plc (“Nat West”) to not refund a disputed payment to his current account (“account”) and about how it handled his complaint in respect of the same.

What happened

On 31 July 2021 Mr H entered into a contract, with a company that I will call “E”, for the hire of a car.

On 3 August 2021 NatWest debited the sum of £266.72 to Mr H’s account in respect of the above.

On 7 August 2021 Mr H called NatWest to raise a dispute in respect of the payment he had made to E of £266.72.

On 7 August 2021 Mr H called NatWest to complain about the service he had received from it to date.

On 7 August 2021 Mr H called NatWest again to complain about the service he had received from it to date. During this call NatWest logged a payment dispute for Mr H in respect of the sum of £266.72 he had paid E.

On 10 August 2021 NatWest took the decision not to refund the sum of £266.72 Mr H had disputed, or to pursue a chargeback against E for a refund. NatWest says this was because the number of payment disputes raised by Mr H in the preceding 12 months.

On 12 August 2021 E agreed to refund Mr H £30.

On 16 August 2021 NatWest credited Mr H’s account £30 in respect of the above.

On 22 August 2021 NatWest issued Mr H with a final response letter (“first FRL”). Under cover of this first FRL NatWest said (amongst other things):

- it stood by its decision not to refund Mr H the disputed sum of £266.72 and to not raise a chargeback against E for a refund
- there had been a degree of poor service on its part and for this it had credited Mr H’s account with £50

On 23 August 2021 NatWest credited Mr H’s account £50 in respect of the above.

On 31 August 2021 Mr H called NatWest (on more than one occasion) to complain about (amongst other things) its decision to not refund the disputed sum of £266.72 and about the service he had received from it to date.

On 4 September 2021 Mr H called NatWest to complain about (amongst other things) its decision to not refund the disputed sum of £266.72 and about the service he had received from it to date.

On 5 September 2021 NatWest issued Mr H with a final response letter ("second FRL"). Under cover of this second FRL NatWest said (amongst other things):

- it would, as a gesture of goodwill, reconsider his payment dispute of £266.72
- there had been a degree of poor service on its part and for this it had credited Mr H's account with £50 and waived all charges and interest for August 2021

On 6 September 2021 NatWest credited Mr H's account £50 in respect of the above.

On 7 September 2021 Mr H called NatWest to complain about (amongst other things) its decision to not refund the disputed sum of £266.72 and to complain about the service he had received from it to date.

On 7 September 2021 NatWest issued Mr H with a final response letter ("third FRL"). Under cover of this third FRL NatWest said (amongst other things):

- it stood by its decision not to refund Mr H the disputed sum of £266.72 and to not raise a chargeback against E for a refund

On 9 September 2021 NatWest confirmed (again) to Mr H that it stood by its decision not to refund him the disputed sum of £266.72 and to not raise a chargeback against E for a refund.

Mr H's complaint was considered by one of our investigators who came to the view that having paid Mr H £100 for poor service NatWest need do nothing further, including refunding the sum of £266.72 in dispute.

Mr H responded to the investigator's view to say that he disagreed with it. In summary he said:

- "[he felt the investigator hadn't] *grasped the issue correctly*"
- "[NatWest] *explicitly told [him] he would get the money back through the chargeback scheme*"
- NatWest advised him that "*any future chargebacks wouldn't be automatically rejected due to amounts that have been done which are very few...*" but "*NatWest are automatically rejecting these and singling [him] out*"
- The £100 compensation paid to him by NatWest is insufficient because "*nothing has been addressed with the false promises and lies which have not been addressed*"
- He wanted to complain about "*the amount of time for [his] complaint to be picked up [by our service]*" and the adequacy of the investigation undertaken to date

The investigator considered Mr H's response to his view but wasn't persuaded to change his mind. However, he did expand on his view to Mr H and advised him that somebody would be in touch in due course to address his complaint about the time taken for his complaint to be considered by us and about the adequacy of our investigation to date.

Because the investigator wasn't persuaded to change his mind about Mr H's complaint, it was passed to me for review and decision.

I issued a provisional decision on this case in September 2022. In summary I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's clear Mr H has very strong feelings about this complaint and I can confirm I've read and considered everything he has submitted. However, I trust that Mr H will not take the fact that my findings focus on what I consider to be the central issues, and that they are expressed in considerably less detail, as a discourtesy. The purpose of my decision isn't to address every point raised. The purpose of my decision is to set out my conclusions and reasons for reaching them.

I would also point out that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities. I'm also not considering in this decision Mr H's complaint about our service, which has already been addressed by one of our senior advisors under separate cover.

In this case, I'm looking at whether NatWest acted fairly and reasonably in the way it handled Mr H's request for help in getting his money back. This will take into account the circumstances of the problem and how E has acted, but also the chargeback card scheme rules NatWest has to follow.

In certain circumstances the chargeback process provides a way for a bank to ask for a payment a consumer has made to be refunded. Where applicable, the bank raises a dispute with the supplier and effectively asks for the payment to be returned to the customer. While it's good practice for a bank to attempt a chargeback where the right exists and there is some prospect of success, the circumstances of a dispute means it won't always be appropriate for the bank to raise a chargeback. There are grounds or dispute conditions set by the relevant card scheme and if these aren't met a chargeback is unlikely to succeed.

Although NatWest initially declined to raise a chargeback against E on Mr H's behalf (on the grounds of the number of payment disputes he had raised in the previous 12 months), it later agreed to review that decision.

Now I accept that Mr H didn't agree with NatWest's decision (after it carried out a review of its earlier decision not to raise a chargeback against E on his behalf) to still not do so. But I'm satisfied that this was an appropriate decision for NatWest to reach. I say this because having considered (amongst other things) E's response to Mr H, after he had complained to it directly, it was entirely fair and reasonable for NatWest to conclude that any chargeback raised would be defended and would have no, or very little, prospect of success.

Mr H says NatWest, on one or more occasions, promised him that he would receive a refund of the disputed sum of £266.72. However, I've seen insufficient evidence to be able to conclude that such a promise was ever made by NatWest.

I will now turn to what I accept is some confusion about what NatWest will, or will not do, going forward should Mr H wish to raise any further payment disputes.

Despite what NatWest may have told Mr H since August 2021, it has confirmed to our service that it will consider any further payment disputes Mr H might want to raise – going forward – but he will need to raise them by telephone and provide it with everything reasonably requested of him. Mr H shouldn't raise any payment disputes online because these, due to how its system operates, will automatically be declined.

Now I appreciate that Mr H might be unhappy with this, but in all the circumstances I think this isn't an unreasonable 'stance' for NatWest to take and it shouldn't, everything else being equal, cause Mr H any material distress and inconvenience.

Notwithstanding what I say above, I agree that this whole matter could have been better handled by NatWest. But taking everything into account I find that having paid Mr H £100, NatWest need do nothing further in this respect.

NatWest responded to my provisional findings to say that it accepted them and had nothing further to add.

Mr H didn't respond to my provisional findings by the date I gave for a response.

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.

Given Mr H didn't respond to my provisional findings and NatWest confirmed it accepted them, I see no good reason to depart from those findings and I now confirm them as final.

My final decision

My final decision is that having paid Mr H £100, National Westminster Bank Plc need do nothing further in respect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 November 2022.

Peter Cook
Ombudsman