

The complaint

Ms W complains about the way in which National Westminster Bank Plc handled her applications to open an account with it.

What happened

Ms W says she made four applications to open an account with NatWest – in December 2020, January 2021, March 2021, and April 2021.

The bank said it had no record of the first application, but it accepted one had been made. The second and third applications were not progressed because, the bank said, it had not received the information it needed from Ms W. In respect of the April 2021 application, the bank acknowledged that it had indicated to Ms W that it had been accepted. In fact, it had been declined.

NatWest initially offered £75 to apologise for its handling of the December 2020 and April 2021 applications. Ms W said she thought a payment of £2,000 would be more appropriate and referred the matter to this service.

Our investigator initially recommended that NatWest increase its offer to £150. Ms W did not accept that recommendation, saying that she was concerned about the possible impact of credit searches against her name. She also explained that she had been in a vulnerable state, following a bereavement and ill-health. The bank's actions had been distressing for her.

The investigator therefore reconsidered the matter and recommended that the bank increase its offer to a total of £800. Neither the bank nor Ms W accepted that recommendation. Ms W thought it was too low; the bank thought it was too high, but it did increase its offer of settlement to £300. But, because neither party accepted the investigator's view, the case was passed to me to review.

I considered what had happened and issued a provisional decision. In conclusion, I said that I thought the bank's revised offer of £300 to resolve the matter was fair, and I indicated I would make an award in those terms.

Ms W did not think the offer was fair, so I have carried out a final review of the case.

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, however, I have not changed my view from that set out in my provisional decision.

The bank acknowledges that it did not progress the December 2020 application and that it wrongly indicated that the April 2021 application had been accepted. That will have caused

Ms W some inconvenience, and I accept that her situation at the time added to that and caused her some distress as well. She should be compensated as a result.

I note what Ms W has said about credit searches. However, the bank was entitled to make searches, and it would be normal to do so. In any event, I have seen nothing to suggest that any loss or other adverse consequences resulted from any searches.

As I indicated in my provisional decision, I think the offer of £300 is fair and reasonable in the circumstances; it's broadly in line with our published guidance and with awards made in similar cases.

Putting things right

NatWest has made a fair offer of settlement, but I will make a formal award in any event, so that Ms W can enforce it, should she need to do so.

My final decision

For the reasons set out above, my final decision is that National Westminster Bank Plc should pay Ms W £300 to resolve Ms W's complaint in full.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 9 December 2022.

Mike Ingram
Ombudsman