

The complaint

Miss W complains that National Westminster Bank Plc ("NatWest") overdraft charges were unfair and causing her financial difficulty.

What happened

Miss W held an account with an overdraft facility with a £50 limit. Miss W complained to NatWest that its overdraft charges were unfair and causing her financial difficulty. NatWest says all charges were applied correctly in line with the terms and conditions of the account but as a gesture of goodwill refunded £51.35 of charges and advised to get in touch with it if Miss W required support and help with gambling transactions.

One of our adjudicators looked into Miss W's concerns and reached the conclusion NatWest hadn't done anything wrong or treated Miss W unfairly and so didn't recommend the complaint be upheld. Miss W disagreed and so the complaint was passed to an ombudsman 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 considered everything provided, I've decided not to uphold Miss W's complaint. I'll explain why in a little more detail.

I've seen that Miss W has in some of her correspondence referred to the proportionality of the charges applied to her account. But before I go any further, I want to be clear in saying that I haven't considered whether the various amounts NatWest charged over the years were fair and reasonable, or proportionate in comparison to the costs of the service provided.

Ultimately, how much a bank charges for services is a commercial decision. And it isn't something for me to get involved with. That said, while I'm not looking at NatWest's various charging structures or processes per se, it won't have acted fairly and reasonably towards Miss W if it applied any interest, fees and charges to Miss W's account in circumstances where it was aware, or it ought fairly and reasonably to have been aware Miss W was experiencing financial difficulty.

So I've considered whether there were instances where NatWest didn't treat Miss W fairly and reasonably. I don't think that NatWest did treat Miss W unfairly or unreasonably here though. I say this because having looked at Miss W's statements from July 2016 onwards I can't see anything to suggest that NatWest ought to have realised she might have been experiencing financial difficulty prior to it being notified of this.

Miss W's statements show that although Miss W did use her overdraft, she was in credit with mostly a healthy balance far more than she was in overdraft. Miss W also held a savings account with an average credit balance that was enough to pay off her overdraft should she

have chosen to do so. I can see that there were a large number of gambling transactions on her account, but the statements show that this was mainly funded from regular credit's being received into the account rather than through the overdraft borrowing alone.

I accept this doesn't necessarily mean that Miss W wasn't experiencing financial difficulty. But there isn't anything in these transactions in themselves which ought to have alerted NatWest to any potential financial difficulty.

So, in these circumstances I don't think that it was unreasonable for NatWest to proceed with adding the interest, fees and charges it did in light of how Miss W's account was being used. But NatWest did agree as a gesture of goodwill to refund £51.35 of overdraft charges and offered support with Miss W's gambling should she require help.

So taking everything into consideration I don't think NatWest treated Miss W unfairly or unreasonably which means that I'm not upholding this complaint.

I appreciate that this will be very disappointing for Miss W – especially as she's been waiting some time for this answer. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Miss W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 23 December 2022.

Caroline Davies
Ombudsman