

The complaint

Mr and Mrs B have complained about administrative errors by National Westminster Bank Plc (trading as Ulster Bank but referred to here as NatWest). Because of IT issues, the direct debit (DD) for Mr and Mrs B's mortgage wasn't collected for 11 months, resulting in them having to make manual payments.

What happened

I will summarise the complaint in less detail than it's been presented. There are several reasons for this. First of all, the history of the matter is set out in detail in correspondence, so there is no need for me to repeat the details here. I will instead concentrate on giving the reasons for my decision. In addition, NatWest has accepted it made an error and has offered compensation, so I only need to decide whether or not that compensation is fair or not. Finally, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs B being identified. So for these reasons, I will keep my summary of what happened quite brief.

Mr and Mrs B have a mortgage with NatWest. After switching their current account to a new provider, NatWest wasn't able to take payment by DD, due to IT issues. Mr and Mrs B had to make manual payments, which caused them considerable inconvenience. After a complaint was raised, NatWest offered Mr and Mrs B compensation of £400. But after the complaint was raised with our service, the bank increased its offer of compensation to £850. NatWest also confirmed it had made an interest adjustment for late payments and was taking steps to ensure no adverse data was reported on Mr and Mrs B's credit files.

Our investigator thought that these steps, along with £850 in total compensation, was fair in all the circumstances, and was proportionate to the time and trouble to which Mr and Mrs B had been put.

Mr and Mrs B disagreed. Mr B, who's dealt with the complaint throughout, has made some further points, which I summarise below.

- there is no evidence of any impact on his or Mrs B's credit files, but they didn't apply for any credit during this period;
- they are very sensitive about their credit files and so they didn't want to take the risk of the potential impact if they'd applied for credit;
- this is not about the compensation, but is about being treated fairly – and having to deal with this for almost a year, plus the impact on their credit files, means they feel the outcome does not address these concerns.

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.

As I said above, NatWest has accepted that an error occurred. Despite the correct sort code and account number being put into its system, there was an IT glitch which resulted in the

DD not being collected. I understand Mr B initially wanted a detailed explanation of why this had happened, but he has now accepted that NatWest does not have to provide details of its internal systems.

The only issue I need to decide, therefore, is what redress would be fair and reasonable to compensate Mr and Mrs B for the trouble and inconvenience of having to make manual payments for 11 months. I've noted what Mr B has said about the worry that there might have been an impact on his and Mrs B's credit files, but NatWest has confirmed it took steps to ensure there was no adverse data recorded.

In the circumstances, I'm satisfied that the compensation offered of £850 is fair and reasonable in all the circumstances. If this had been an issue that had arisen for a single month, I would have awarded compensation of £50 for a customer having to make a manual payment that month. Given this, I'm satisfied that £850 is fair compensation for the errors that occurred over an 11-month period.

Putting things right

I direct National Westminster Bank Plc trading as Ulster Bank to pay Mr and Mrs B total compensation of £850 (to include any amount already paid) in full and final settlement of this complaint. I make no other order or award.

My final decision

My final decision is that I uphold this complaint. I order National Westminster Bank Plc trading as Ulster Bank to settle the complaint as set out above. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 3 January 2023.

Jan O'Leary
Ombudsman