

## The complaint

Miss A is unhappy with the actions of National Westminster Bank Plc (“NatWest”) after she reported what she believed to be a duplicate payment from her account.

## What happened

I issued a provisional decision in January 2023 to explain why I thought Miss A’s complaint should be partially upheld. And I said I’d consider anything else anyone wanted to give me. This is an extract from that provisional decision:

*“On 16 September 2020, Miss A made a rent payment of £1,050 by debit card to her property’s management company. However, on 22 September 2020, Miss A noticed that this payment was due to be taken again. Miss A contacted her property management company to discuss this, but they directed her to speak with her bank instead.*

*Miss A then raised the issue of the duplicate payment with NatWest. NatWest applied a temporary credit to her account whilst it conducted an investigation into what had happened. However, when NatWest issued its final response, it said it could only see one payment leaving Miss A’s account and that was the payment on 22 September 2020. NatWest said it appeared that it had taken five days for Miss A’s property management company to ‘claim’ the payment authorised on the 16 September 2020. And between the payment being authorised and the funds being claimed, the funds had once again become available in Miss A’s account and been withdrawn. As NatWest had identified no duplicate payment, it re-debited the funds it had previously temporarily credited to Miss A’s account and this left Miss A with an unarranged overdraft. Miss A says she received no prior notification from NatWest that the amount would be re-debited.*

*Miss A said she lost her job during the Covid-19 pandemic and was now in receipt of benefits which barely covered her everyday living expenses. So, she couldn’t afford to repay the debt. NatWest eventually passed it to a debt collection agency. NatWest also said it planned to close all of Miss A’s accounts and gave her 60 days’ notice. Miss A asked for these actions to be placed on hold whilst her complaint was investigated as she wanted to use her accounts to maintain her existing direct debits. NatWest declined to wait for the outcome of this complaint before taking any further action.*

*Miss A has also told us that whilst her complaint was being investigated, she spoke to NatWest about a cashback payment of £69.60 which she needed access to in order to meet her day to day living expenses. The cashback payment had been paid into the account with the unarranged overdraft attached and so Miss A did not have access to it. Miss A has said she was told during this conversation that this money would be paid into an account she specified. This did not happen. Miss A said this resulted in her having to sell some of her belongings to meet her living expenses. NatWest recognised that the payment wasn’t made as agreed and it offered Miss A £50 by way of an apology. This amount was also paid into the account that was overdrawn so Miss A did not have access to it either. Regardless, Miss A didn’t think this was enough and said that when she contacted NatWest to discuss this,*

*she was treated poorly.*

*As an agreement was not reached, Miss A brought her complaint to this service and one of our investigators looked into things. They didn't uphold the complaint. The Investigator said she was satisfied that there had been no duplicate payment. She also said that Miss A had been contacted about the unarranged overdraft debt on a number of occasions but had failed to make any repayments. For this reason, she didn't think NatWest had done anything wrong in passing the debt to a third-party debt collections agency. She pointed out that Miss A had had the benefit of the funds that now made up the unarranged overdraft – it had been used to pay her rent. And so she didn't think the overdraft charges applied to the account had been applied unfairly.*

*Finally, the investigator said the £50.00 already offered to Miss A for not crediting the £69.60 to an account of her choice was fair. She said she had listened to a recording of the call that took place between Miss A and NatWest but she didn't think NatWest's advisor had behaved unreasonably.*

*Miss A did not agree. She said:*

- she would not repay the outstanding debt until NatWest also took responsibility for some of it.*
- NatWest had reversed the temporary credit payment because it had not been able to read her email that supported her arguments that the rent payment had been taken twice – despite her sending this within the timeframe given. It had failed to notify her that her email was unreadable before taking this course of action.*
- NatWest had told her they would credit an account of her choosing with the cashback payment of £69.60. They hadn't and had lied to their customer.*
- It was unnecessary for NatWest to close all her accounts and this could've left her without an account from which to pay her bills.*
- She had been treated poorly from the outset of her complaint and this warranted additional compensation.*

*As an agreement has not been reached, the case has been passed to me for a decision.*

*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.*

*Having done so, I'm currently minded to reach a slightly different outcome to the one reached by our investigator, in that I think the compensation offered to Miss A should be slightly increased. I'll explain why in more detail below.*

*The duplicate payment*

*Having reviewed Miss A's account statements for the period in question, I am satisfied there was no duplicate rent payment. The payment Miss A authorised to her property management company on 16 September 2020 was taken only once – on 22 September 2020. It appears that the five day delay in collecting the payment has caused the confusion here. Miss A authorised the payment on 16 September 2020 and at this point the payment was showing as pending with the funds not being available to spend – so it could've looked like they had left the account. However, by 21 September 2020, the payment had still not been 'claimed' by Miss A's property management company. At this point, the funds became available in Miss A's account again.*

*Having reviewed Miss A's account statements, I can see Miss A then withdrew the funds via a series of transactions within a 24-hour period. So, when Miss A's property management company later claimed them, this took Miss A into an unarranged overdraft. Miss A says during one of the calls she has with NatWest that she may not have noticed at the time that the funds available in her account were actually the funds that should've been used to pay her rent and she had likely continued to spend as normal.*

*It is Miss A's responsibility to ensure she has enough money in her account to cover her bill payments. In this case, Miss A had withdrawn the funds she had initially intended to be used to pay her rent when they bounced back into her account. This meant she didn't have enough money in her account to cover the rent payment when it was eventually taken on 22 September 2020. This resulted in an 'unarranged' overdraft being added to her account to cover the cost.*

#### *The outstanding debt*

*In line with the terms and conditions of Miss A's account, NatWest is entitled to apply interest to an unarranged overdraft that its customer has had the benefit of. In this case, Miss A's unarranged overdraft has been used to meet her rent payment. She has therefore had the benefit of the funds that make up this overdraft and this is now money Miss A owes the bank. In line with the terms and conditions of Miss A's account, NatWest are entitled to charge interest and apply charges to any outstanding debt owed to them.*

*Having reviewed NatWest's account notes, I can see that Miss A was contacted on at least 12 occasions about this debt before it was passed to the third-party debt collection agency. Miss A had been contacted by telephone, email and letter but the debt remained unpaid. Miss A has also told us that she does not intend to make payment towards the debt until NatWest also accept some responsibility for it.*

*Miss A has been given the option to speak with NatWest about her finances and set up a repayment plan that is affordable to her. But, based on what I've seen, Miss A did not take any steps to approach NatWest or repay the debt before it was passed on. When a customer does not repay a debt which is owed, the bank is entitled to pass the debt to third-party debt collection agency. And this is what has happened here. Given that Miss A has declined to repay the debt or engage with NatWest about it, I don't think NatWest has acted unreasonably in applying interest and charges to the account and passing it on to a third-party and I won't be asking it to do anything more here.*

#### *Customer service*

*As part of its investigation into the duplicate payment, NatWest asked Miss A to provide some additional information and it provided Miss A with a deadline within which to provide this information. NatWest said that it would re-debit the temporary credit it had applied to Miss A's account if this information wasn't provided.*

*It is not in dispute that Miss A responded to NatWest's request, by email, within the given timeframe. However, for some reason, NatWest were unable to read the contents of the email. But rather than contact Miss A to let her know and ask her to resend the email in a legible format, NatWest re-debited the temporary credit from her account.*

*Whilst I'm not persuaded this had an impact of the overall outcome of this complaint, I'm satisfied that the credit would have been removed eventually once it was identified that there had been no duplicate payment, I am satisfied that Miss A was treated poorly here. And having listened to the calls that take place between NatWest and Miss A later on and her*

written correspondence, it's clear to me that this did cause Miss A some upset. Miss A has thought throughout the complaint process that this was the reason her claim had been declined. It's clear that Miss A was struggling financially at the time and she felt NatWest weren't interested in her complaint or listening to her. I'm persuaded that NatWest's actions in not contacting her about the problems with the email only compounded these feelings of frustration for Miss A. I'm not satisfied that the actions taken here by NatWest were good enough.

I have also listened to a recording of the call where Miss A and NatWest's advisor discuss having the £69.60 cashback payment paid into an account of Miss A's choosing. Miss A is clear that she needs this money to pay her phone bill. She says she can't risk being cut-off as she is currently looking for work. It is agreed with Miss A that this payment will be made available in her savings account within two hours. Again, it is not in dispute that this does not happen, and as part of my investigations, I asked NatWest what went wrong. NatWest hasn't been able to identify what exactly went wrong but it acknowledged that something had. It said it had paid Miss A £50 in compensation to say sorry for this error.

I'm not persuaded that the £50 currently offered by NatWest is enough to compensate Miss A for its error here. Miss A makes it clear during the conversation with NatWest that her financial situation is very difficult, and she is relying on this money to pay her phone bill. When NatWest don't do what they say they're going to do, Miss A then has to resort to selling some of her belongings. I can also hear in the call recordings how distressed Miss A is about not having access to this money. And so, I don't think the £50 offered here is enough to compensate Miss A for the upset and distress caused. I'm also not satisfied that paying the compensation offered into the overdrawn account was the right thing to do here either. Miss A's complaint was based around the account in question being overdrawn and not having access to her cashback payment. NatWest also paying any compensation due to Miss A into this account continued to compound this issue and appeared to show a considerable lack of interest on NatWest's behalf to Miss A's vulnerable financial position.

For the reasons set out above, I'm currently minded to conclude that NatWest should increase its offer of compensation to £150 in order to fairly compensate Miss A for the errors in its investigation and the upset they caused. When calculating this amount, NatWest should take into account that Miss A has already received £50 and this has been used to reduce her overall overdraft debt. But it should look to pay the additional amount directly to Miss A.

Finally, I've listened to the calls that took place between Miss A and NatWest and I'm not persuaded Miss A was treated poorly during any of them. There are a number of instances during the calls where the conversations breakdown. Miss A is clearly upset about the actions being taken on her account and with the answers she is being provided with. But this doesn't mean that NatWest's advisors were rude or that they acted unprofessionally in any way.

I'm also not persuaded that NatWest has acted unfairly in deciding to close Miss A's accounts. NatWest is entitled to close Miss A's accounts, just as Miss A is entitled to close her accounts with NatWest. But before NatWest closes an account, they must do so in a way which is fair and complies with the terms and conditions of the account. The terms and conditions of the account say that NatWest can close an account by giving 60 days' notice. NatWest have done this, so I'm satisfied it has complied with this part. I've then gone on to consider whether NatWest's reason for closure was fair and I think it was.

Miss A, at the time, had a significant outstanding debt that she had indicated she was unwilling to pay. NatWest are entitled to set their own policies and part of that will form their risk criteria. It's not in my remit to say what policies or risk appetite NatWest should have in

*place and it appears they acted according to their risk appetite here and I don't think that was unreasonable."*

### **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, I'm minded to reach the same overall conclusions I reached in my provisional decision. I'll explain why.

NatWest didn't respond to my provisional decision as it had nothing further to add. Miss A responded to say that whilst she maintained that NatWest should take some responsibility for some of the money owed, she would accept the compensation put forward as resolution of her complaint.

As neither Miss A nor NatWest have provided any further submissions, I see no reason to depart from the conclusions I reached in my provisional decision.

### **My final decision**

My final decision is that I partially uphold this complaint against National Westminster Bank Plc.

National Westminster Bank Plc should now pay Miss A additional compensation amounting to £100 to an account of her choosing.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 16 March 2023.

Emly Hanley  
**Ombudsman**