

## **The complaint**

Miss I complains that National Westminster Bank Plc made errors and told her incorrect information regarding a balance transfer she completed with a third party provider.

## **What happened**

Miss I opened a third party credit card and transferred £5,000 to pay her NatWest credit card. But she believed the transfer hadn't gone through correctly, so she transferred another £5,000 to the NatWest credit card. This resulted in her being in credit on her NatWest credit card and this amount was refunded to her. But as Miss I owed £10,000 on her third party credit card so she spoke with both NatWest and her other provider to see what could be done to rectify the situation of the duplicate balance transfer.

Miss I says when she spoke to NatWest on 15 January 2022, the call handler advised her to request a recall for one of the £5,000 payments, so she contacted the third party provider to do this. But when she spoke to NatWest again, she says they told her that this process would take too long so she cancelled this in order to process a manual overpayment. Miss I says she made several follow up calls to both banks in February and March to ensure that the recall request had been cancelled. She says on 3 February 2022, she contacted NatWest and was told that her account was closed and she was assured that no recalls would take place. She was told there were sufficient and clear notes on the account which would avoid this. But on 16 March 2022, £5,000 was recalled, but the third party bank could not locate the £5,000, despite NatWest sending them this money.

As a result of the funds being missing, Miss I was being asked by the third party bank to make repayments on the £10,000 outstanding balance, but as NatWest had sent the third party £5,000, then they were also asking Miss I to make the repayments on a £5,000 balance. So in effect she was paying £5,000 twice while the funds were missing. Miss I made a complaint to NatWest.

NatWest partially upheld Miss I's complaint. They said they understood they informed her when she called in January 2022, that it would be quicker to arrange a refund of the credit balance, however, neither the original balance transfer nor recall appears to have been cancelled with the third party provider. They said they must honour a recall request when received within three months of the original payment. NatWest acknowledged she wrote to them about the third party not receiving the funds and they apologised for the service delays and the way the issue had been handled.

NatWest said they had transferred £295.14 to Miss I's account, which was £150 in recognition of the distress and inconvenience while dealing with this. They said £133.14 covered interest on March-April statements and included was £12 reimbursement of the late payment fee incurred March 2022. They also requested any missed payment in February/March was removed from her credit file. Miss I brought her complaint to our service.

Our investigator did not uphold Miss I's complaint. He said he had received a response from NatWest to show that they had correctly sent the £5,000. He said he couldn't agree that

NatWest delayed the return of the funds. Miss I asked for an Ombudsman to review her complaint. She raised new points such as her online access once her account had been closed and her difficulties in making payments over the phone especially in August 2022.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

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

*Miss I has brought a separate complaint to our service regarding the actions of the third party provider. As this is a separate complaint to the one against NatWest, I'm only able to look into the actions of NatWest here and not the third party provider.*

*Miss I has made new complaint points which weren't in her original complaint to NatWest and therefore I won't be able to address this as part of this complaint, such as her online access once her account had been closed and her difficulties in making payments over the phone especially in August 2022. This is because NatWest will need to respond to these issues first before our service can look into them, so she will need to make a complaint to NatWest if she wants to on the issues I can't resolve for her here.*

*Although Miss I made the original error as she processed 2 x £5,000 balance transfers instead of one when she opened the third party credit card, I've looked at the role of NatWest once she asked for their help in this matter. NatWest were originally the ones who discussed a payment recall with her, so she acted upon this. But due to the time the recall can take, it was always probable that the 0% introductory balance transfer rate would have expired before this could be actioned.*

*Miss I then called up NatWest to let them know she would manually process this as this would be quicker than the recall. The amount of credit that she was in with her NatWest account was refunded to her current account. She then asked for the recall to be cancelled with both NatWest and the third party provider. It appears that Miss I had conversations with NatWest on 3 February 2022 and 3 March 2022 amongst other calls where she had been told by NatWest staff that she had nothing to worry about with the cancellation. I asked NatWest for these calls so I could hear exactly what was said about the situation, but they have told me that they have been unable to locate these calls, although they have said that they don't dispute that Miss I may have been given incorrect information.*

*I can see from NatWest's system notes that they have provided me that they show several notes to not honour a recall request from the third party provider. I'm persuaded that the call that Miss I had with NatWest here, was a big factor in what subsequently happened. I say this as NatWest have since confirmed that they are unable to cancel a recall request once they receive a request and that the team who process these wouldn't look at the notes on an account. So when the call handler told Miss I that this wouldn't be a problem and that he had left several notes on the system to not honour the request, this set an expectation to Miss I that everything was in hand, and the recall request wouldn't go ahead.*

*If Miss I had been told the correct information initially - if the third party bank requested a recall then NatWest would need to honour it and they couldn't cancel it, this could have managed her expectations. I say this because then she would have known not to process a manual payment and have the amount she was in credit refunded to her bank account. But instead, she was very distressed when she found out that NatWest had actioned the recall and she was inconvenienced by having to speak to them again on the phone about this. So I'm persuaded that they let Miss I down here.*

NatWest did send the £5,000 to the third party provider in March 2022. But when the third party provider couldn't locate these funds, I'm persuaded that they could have done more to help Miss I and the third party provider locate these funds. I say this because the third party's payment provider had been using a reference number in the title of their emails between themselves and NatWest, but this reference number wasn't quoted to Miss I when they gave her the details of the payment to chase this up with the third party provider, which delayed the third party locating the funds.

It may be that NatWest would argue the third party provider should be able to locate the funds on the details they gave Miss I. And while that may be true to some extent, the way they received the funds didn't show all of the other details, therefore the reference they were using to communicate to each other in the subject line – which NatWest's reference wasn't in the subject line of the emails, would have, in my opinion, helped them locate the funds quicker. They could have also placed a trace on the funds they sent, and this information could have been provided to the third party provider. But Miss I was left ringing each company, only for each company to blame each other.

Unfortunately, as a result of the delay of the £5,000 recall, Miss I technically owed the third party provider £10,000 and owed NatWest £5,000. And she could not afford to make payments on both accounts as she would need to pay a lot more than she would have paid if the recall request was cancelled originally. As a result of this, Miss I missed payments on her NatWest credit card which may have had an impact on her credit file.

I'm satisfied that both NatWest and the third party had a role to play in what happened here. But in terms of NatWest, they gave Miss I wrong information about the recall. This resulted in an expectation that everything would be fine for Miss I. She was not told that they could not refuse a recall request and that the team who process these wouldn't look at any system notes before processing this and I'm persuaded they could have done more to help Miss I locate the funds with the third party provider.

In terms of what I believe would be a fair outcome of this complaint, I've considered what NatWest have already done. They have transferred £295.14 to Miss I's account, which £150 was for distress and inconvenience. They said £133.14 covered interest on March-April 2022 statements and included in the compensation was a £12 reimbursement of the late payment fee incurred in March 2022. They also requested any missed payment in February/March was removed from her credit file. But I'm not persuaded that this is enough.

I say this because the impact the wrong information had on Miss I had further reaching consequences as this payment request wasn't cancelled and as such this created an extra £5,000 that Miss I had to pay. NatWest had a role to play in this and Miss I could not afford to pay both NatWest and the third parties minimum repayment. The third party provider would not be able to ask the credit reference agencies to alter a consumers credit file on behalf of NatWest to reflect any errors they may have contributed to.

The timeframe I'm looking at where things went wrong is between January-June 2022. NatWest have agreed already to cover the interest from March-April 2022. I won't be asking NatWest to pay the interest and charges that were applied to the statement in May 2022 as this has been paid by the third party provider as part of a settlement of a separate complaint Miss I made, due to the third party errors.

But I'm not persuaded it is fair for Miss I's credit file to be impaired during this period (if it has been) when she had received incorrect information from NatWest. They have already said they would request that any missed payment for February/March is removed from her credit file, but I'd like them to go further than this. As the funds were only located in late June, I'd like NatWest to ensure that there are no missed/late payments reported on Miss I's credit file

*up to and including July 2022. I say July 2022 as this also covers part of June where there was uncertainty of where the funds were. I can see Miss I paid her arrears on the following statement, so I'm persuaded that the fairest thing to do here, given that NatWest had given Miss I incorrect information on several occasions which impacted the actions she took, is to ensure that her credit file isn't impacted due to the role that NatWest has played in this.*

*NatWest have told me that there were no late payments from the date the account was opened until the date it was settled, but it doesn't appear the account has been settled yet. Although the third party provider was more at fault for the delays in locating the funds than NatWest – and they have already paid Miss I compensation to recognise their role in what happened, they would be unable to ask the credit reference agencies to remove any late/missed payment markers than NatWest have told the credit reference agencies. So based on the unique individual circumstances here, I'll be asking NatWest to put this right for Miss I as this was due to no fault of her own with the delays, especially when she was constantly ringing both parties to get this resolved.*

*I know Miss I wants NatWest to apply a 0% interest rate on her account as she was deprived the opportunity to take up the third parties promotional offer prior to it expiring. But I'm not persuaded that this is proportionate. I say this as NatWest weren't offering a promotional rate, so it would be unfair to ask them to do so based on a third party offer. Miss I did agree to the recall and as such there would always be a chance that this wasn't completed before the offer expired, so I can't say it would be proportionate for NatWest to not charge their standard interest rate here.*

*I have considered that Miss I was paid £150 compensation for distress and inconvenience. But I'm persuaded that another £100 would be fair and reasonable here. I say this because of the impact that the errors/incorrect information had on Miss I. She was told wrong information several times. She was assured multiple times that everything would be ok when it wasn't. She was inconvenienced by having to make several phone calls/emails over several months to try and find out where the money was and why the recall had not been stopped by NatWest after she was assured it would be. So I intend to ask NatWest to put things right for Miss I."*

I invited both parties to let me have any further submissions before I reached a final decision. Both parties accepted my provisional 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.

As neither party have provided me with any further information to consider, then my decision and reasoning remains the same as in my provisional decision.

### **Putting things right**

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask National Westminster Bank Plc to pay Miss I a further £100 compensation for distress and inconvenience. I also said I intend to ask them to ensure that there are no late/missed payment markers for the NatWest credit card on Miss I's credit file from March 2022-July 2022 if there are any showing. I'm still satisfied this is a fair outcome for the reasons given previously.

**My final decision**

I uphold this complaint. National Westminster Bank Plc should pay Miss I a further £100 compensation for distress and inconvenience. They should also ensure that there are no late/missed payment markers for the NatWest credit card on Miss I's credit file from March 2022-July 2022 if there are any showing.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 14 April 2023.

Gregory Sloanes  
**Ombudsman**