

## **The complaint**

Mr A and Mrs A complain about National Westminster Bank Plc (“NatWest”) for failing to stop transactions coming from their jointly held account, whilst at the same time heavily scrutinising their genuine transactions. They also complain that NatWest ultimately closed their account. They want NatWest to compensate them for their losses and distress.

## **What happened**

Mr A and Mrs A inherited a sum of around £30,000 in late 2020.

They deposited the money into an account with NatWest and this was jointly held. Both Mr A and Mrs A had cards linked to the account.

At one point, Mr A and Mrs A sought to withdraw a sum of around £6,000 to pay for garden renovations. NatWest asked extensive authentication questions and contacted the contractor before allowing the withdrawal. Mr A and Mrs A felt that this was excessive and embarrassing and they complained to the branch. That complaint was later resolved.

Over the course of 2021 and 2022, Mr A’s card repeatedly became compromised and a number of debit transactions took place. These were often for high amounts and depleted the balance of the account.

Mrs A became aware of the balance reducing and contacted NatWest. She asked that NatWest blocked the transactions and prevent any further transactions coming from the account to three particular retailers. She was assured that this was done.

NatWest cancelled Mr A’s card and blocked his account use a number of times in response to the transactions. He contacted NatWest frequently to request that his account access be reinstated. During these calls he explained that he was not authorising transactions and he was referred to the fraud team.

Each new card Mr A received soon became compromised and the transactions continued.

Mrs A contacted NatWest on around 4 occasions to query why these transactions were continuing. She was assured each time that the retailers she had noted had been blocked.

In a later call, an agent for NatWest explained to Mrs A that the ‘blocks’ that had been placed were not guaranteed as card transactions were approved by the card carrier (VISA) when card data was provided to the retailer. NatWest had cancelled cards and had requested that the retailers stop any recurrent transactions, but this had not been successful as it appeared that new card data was then provided later.

NatWest refunded the majority of the disputed transactions, but payments continued to be made.

In summer of 2022, NatWest gave Mr A and Mrs A notice of its intention to close their accounts. By this time the balance was below £1000.

Mr and Mrs A complained. They felt that NatWest had not protected their account appropriately and that the security applied had been inconsistent.

NatWest sent its final response letter in June 2022. It agreed that Mrs A had been wrongly advised that the transactions could be stopped during her earlier calls but considered that it had acted fairly in refunding the disputed transactions and in closing the account.

Mr A and Mrs A were not happy so contacted us.

Our investigator considered that NatWest had not made it clear enough to Mr A and Mrs A that blocks on the account would not be very effective against ongoing card transactions. They recommended that NatWest pay Mr A and Mrs A £75 compensation for their distress and inconvenience.

Mr A and Mrs A did not accept that view and asked for an ombudsman decision.

I made some further enquiries with NatWest and issued a provisional decision in respect of this complaint in March 2023. In that provisional decision, I set out that I felt that NatWest had not done enough to tackle the problem of how the unauthorised transactions continued, and it had given a wrongly reassuring impression to Mrs A that the transactions could be stopped. I did not consider that there had been a financial effect on Mr and Mrs A as NatWest had refunded the transactions to the three retailers Mrs A had reported, but I thought that NatWest should pay to Mr and Mrs A compensation for their distress and inconvenience.

That provisional decision has been shared with the parties and they have been invited to comment.

NatWest has indicated that it accepts the provisional decision. Mr and Mrs A have responded, rejecting the decision.

They do not agree that NatWest has returned all disputed money to them, and they think that they would have been left with somewhere between £5000 and £10000 if the disputed transactions had been prevented. They feel that this was NatWest's fault.

### **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.

I understand Mr and Mrs A's feelings, and I have reviewed the refunded transactions again in light of their comments.

I accept that not all of the transactions which came from the compromised cards have been refunded, but I am satisfied that the transactions from the three retailers which Mrs A called about, and which were discussed with NatWest, were refunded to them.

I think it is important to be clear here that I do not consider that NatWest was responsible for the cards becoming compromised, and the wrongful usage of the card details. There is no evidence to suggest that this was anything to do with NatWest.

My criticism is that, over time, a pattern emerged on this account. That pattern was that cards were issued to Mr A and these cards became compromised, making any blocks that were in place at the request of Mrs A redundant. I considered that NatWest ought to have

identified this pattern and made suggestions as to how this pattern could be broken.

As it was, I think that NatWest acted reasonably in refunding the transactions which Mrs A spoke to them about and so I remain of the view that Mr and Mrs A were not caused a financial effect by NatWest's actions relating to those transactions.

I accept that, if NatWest had recommended a different type of account, which did not have card access, then some other transactions may not have taken place, but equally I have seen evidence showing that both Mr A and Mrs A were regularly accessing the account online and were also able to stay informed of what transactions were legitimate and which were not. I think that responsibility for any other transactions (other than the three retailers that were regularly discussed by Mrs A) lies more fairly with Mr and Mrs A than with NatWest.

I therefore remain of the view expressed in my provisional decision and adopt that decision, as supplemented by this decision, as my final decision and I uphold Mr and Mrs A's complaint.

### **Putting things right**

As previously set out, and expanded upon above, I do not think that Mr and Mrs A have been caused financial effects by the failings in NatWest's service, but I think they were caused substantial distress and inconvenience. I think that NatWest should pay to them £500 compensation to reflect this.

### **My final decision**

For the reasons given above, and in my provisional decision, I uphold Mr A and Mrs A's complaint and direct National Westminster Bank plc to pay to them £500 compensation for their distress and inconvenience.

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

Laura Garvin-Smith  
**Ombudsman**