

The complaint

Miss L complains that National Westminster Bank Plc (“NatWest”) failed to properly administer her account resulting in the repeated removal of funds she didn’t recognise.

What happened

There has been much correspondence between the parties regarding the circumstances of this complaint. I don’t intend to repeat them here, but I will set out the points which I think are critical to understanding the complaint and to explain my decision.

In summary, Miss L had a transaction taken from her account that she didn’t recognise. She confirmed this to NatWest who refunded the payment and dealt with it as fraud. Some months later, the same payment was again taken from Miss L’s account despite already being raised with NatWest who had given assurances the matter wouldn’t be repeated.

In total, there were six outgoing debits from Miss L’s account related to the same merchant that took place over a year or so. Miss L was repeatedly asked about the payments and was required to enter into correspondence with NatWest despite denying she’d made the payments herself.

It later transpired that the payments were the result of an agreement set up by a close family member to pay for a large bill and used Miss L’s account without her permission.

NatWest made various refunds to Miss L throughout this period, but Miss L was left unhappy with how her account had been handled. Complaints were made to NatWest who accepted they’d let Miss L down and after some negotiation agreed to pay £250 compensation.

At the time of these incidents, Miss L was dealing with a very serious illness and in hospital for periods when having to communicate with NatWest.

Miss L remained unhappy with how NatWest had dealt with her circumstances and brought her complaint to the Financial Ombudsman Service for an independent review. It was looked into by one of our investigators who received evidence from both parties about the situation.

Miss L and her representative made numerous submissions regarding the impact on Miss L and their belief that there was a criminal element to the way the payments had been handled.

Miss L remained unhappy about other aspects of her complaint and wanted an apology from a senior member of NatWest’s board and additional compensation of around £100,000. Miss L also withdrew one of her requests related to additional compensation.

NatWest provided details of the payments and how they’d dealt with the issue. Initially they couldn’t initially explain how some of these payments had been allowed to be debited from Miss L’s account but later said that because the original matter had been raised as fraud – the future payments weren’t automatically cancelled.

The investigator recommended that NatWest pay a further £100 for the way they handled

the issue and the additional stress this caused Miss L. NatWest accepted this, but Miss L did not.

Her representative thought the amounts recommended were insufficient to recognise the experience Miss L had gone through and continued to believe that NatWest's actions had been criminal, and the payments taken from Miss L's account were "illegal".

As no agreement could be reached, the complaint has been passed to me for a decision. Having digested the information provided by both parties, it was apparent that additional transactions from the merchant were still outstanding. NatWest were asked about these and have accepted that because Miss L hadn't authorised them, they should be refunded. A further refund was made recently and as far as I'm aware, all the disputed transactions have now been repaid to Miss L.

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.

My focus is on what I think the key issues are as our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Much has been made of the transactions taken from Miss L's account and her belief that somehow NatWest were criminally involved. Having examined the situation, it's apparent that a close family member took Miss L's payment details and used them to arrange a form of a loan having had an unexpected bill to pay.

The payments taken from Miss L's account were by the merchant who provided the loan and were to repay it. Whilst it's accepted that Miss L didn't give her permission for this to take place, I think it's fair to say that NatWest were responding to payment requests following the agreement set up by the close family member.

If Miss L believes there's a criminal element to NatWest's conduct, she can raise this with the police to investigate.

I don't think there's any argument here that NatWest dealt with the situation poorly. Their explanation that because it was raised initially as fraud by Miss L isn't one I particularly think holds much water. Miss L wouldn't be aware (and nor should she) of the different types of dispute/fraud process used by NatWest. It's for NatWest to deal appropriately with the situation they're told about. The way they handled it led to continued payments taken from her account and unnecessary requests for information from Miss L whilst she was dealing with her illness.

NatWest accepted the additional payment of £100 to bring the overall payment to Miss L to £350 for their handling of the situation. I think that's fair in the circumstances and I won't be recommending any further payment to Miss L.

I've also considered Miss L's request for an apology from a senior board member. Reading through the correspondence, NatWest have already apologised to Miss L for their earlier handling of the issue. It's not my role here to direct a specific person to make an apology, but I do think that further recognition of NatWest's overall handling (given the missed refunds) warrants a further apology to Miss L.

Putting things right

In order to finalise this complaint, NatWest should pay Miss L a further £100 (if they haven't already) and apologise for the overall handling of her situation.

My final decision

My final decision is that I uphold this complaint and National Westminster Bank Plc are required to settle it as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 22 September 2023.

David Perry
Ombudsman