

The complaint

Mr S complains that National Westminster Bank Plc (NatWest) has refused to help him following a payment to an incorrect account.

What happened

Mr S made a payment of £1,000 to what he thought was an account he held with a bank I will call "B" in April 2022. The account number had been re-cycled by B. Mr S says he asked NatWest to help him recover the money, but it appears the recipient of the money withdrew it. He says B made a mistake which it now accepts, and B has said NatWest should now make an indemnity claim which it will honour. B has also said it has given NatWest the name of its customer which Mr S can use for legal proceedings. Mr S would like those details and for NatWest to at least try and make a new indemnity claim.

NatWest says B didn't respond to its requests for a return of the money and says it had been withdrawn. It says it made two requests of B and Mr S will have to ask it for the customer details. NatWest accepts it didn't deal with parts of Mr S's complaint appropriately and has paid £75 compensation.

Mr S brought his complaint to us, and our investigator didn't uphold it. The investigator thought NatWest had tried to retrieve the money, but B had rejected the attempts due to there not being enough money in the beneficiary's account. The investigator thought NatWest had the beneficiary's details, but we couldn't provide them directly to Mr S.

Mr S doesn't accept that view and says he has a letter from B in which it says it will honour any indemnity claim NatWest will now make. He also says NatWest has not provided him with the beneficiary's details despite asking for them.

I asked NatWest to look at B's letter and to ask it if it was prepared to follow B's recommendation. I also asked NatWest to confirm if it had provided Mr S with the beneficiaries details.

NatWest says it will not make a further indemnity claim and says Mr S should deal directly with the beneficiary as it has done all it can.

My provisional decision

I issued a provisional decision on this complaint and said as follows. I came to the provisional view that NatWest hadn't acted fairly here and hadn't done what I would have expected to have helped Mr S recover his money.

I said there was no dispute here that Mr S made a mistake in transferring the money to the wrong account. And that is something that banks and building societies are familiar with and are required to assist a customer in those circumstances. I explained there was no guarantee of a successful outcome, something I was sure Mr S understood.

I was satisfied that NatWest did try and help Mr S by making a request to B to have the

money returned. I thought it likely that B was at fault at that stage as it appears to have paid Mr S £100 compensation for not dealing with NatWest's request appropriately. I could see that in August 2022 B told Mr S that if NatWest made a further indemnity claim that it would honour that attempt. That letter was sometime after NatWest made the initial request.

I didn't think it clear why in those circumstances NatWest refused to make such a further request. I appreciated Mr S's frustrations as it would not be an onerous task to make such a request when B had made clear why NatWest should do so. I didn't think NatWest had explained why it would not make that request when it was clearly in Mr S's interests that it did so. I said it follows that if B rejected that indemnity claim that NatWest couldn't be responsible for such a decision. I appreciated NatWest says it made such requests, but they were rejected. But I was satisfied that position had changed following B's letter which NatWest has a copy of.

I could see that all Mr S wanted to resolve this complaint was for NatWest to at least make a new attempt to retrieve his £1,000 and provide him with the beneficiary's details so he could consider legal action. I was satisfied that B had provided NatWest with those details and had explained they can be provided to Mr S for the restricted purpose of legal proceedings via a solicitor. Again, I didn't think it clear why NatWest couldn't simply provide those details to Mr S whilst explaining the restrictions involved in providing them. I also didn't think it clear why NatWest says B should provide them to Mr S when B had provided them to it. I didn't think Mr S was able to receive the details from B as his business relationship was with NatWest.

Overall, I was satisfied that whilst NatWest may have acted fairly and tried to help Mr S when the mistake was first made, it had not done so following B's letter or in providing the beneficiary's details to him. I had no doubt Mr S had been caused distress and inconvenience in trying to resolve matters. I didn't think Mr S had suffered any direct or additional financial loss as a result of NatWest's lack of action but thought he should be paid £100 compensation for what had taken place. I appreciated compensation was not what Mr S wanted. I also didn't think it clear why NatWest paid £75 compensation or what that specifically related to.

I hoped before my final decision NatWest confirmed what the compensation was paid for.

Mr S has replied to my provisional decision and says there is no incentive for NatWest to deal with the indemnity process. He suggests one solution would be for it to pay him the disputed money.

NatWest has not replied to 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.

Having done so I have come to the overall view that I reached in my provisional decision and for the same reasons.

I appreciate why Mr S suggests that NatWest refund the disputed payment but as he is aware we are not NatWest's regulator and so it's not our role to punish it.

I make clear to Mr S that I require NatWest to make a further indemnity claim but the decision to refund the money can only be made by B.

Putting things right

NatWest should pay Mr S a further £100 compensation and provide the beneficiaries details in the usual restricted format. It should also carry out the indemnity as recommended by B.

My final decision

My final decision is that I uphold this complaint and order National Westminster Bank Plc to pay Mr S £100 compensation, make a further indemnity claim and provide him with the beneficiary's details for the purpose of legal proceedings via a solicitor.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 August 2023.

David Singh
Ombudsman