

## The complaint

S, a business partnership, complains that National Westminster Bank Plc didn't do enough to help it recover a payment made in error.

## What happened

S explains that on 14 March 2022 it sent a payment of £10,633 to the wrong payee. It contacted NatWest on 15 March 2022 and followed this up. S was then told that the request to recover this wasn't initially made correctly and then that the payment couldn't be recovered. S says it had to call on numerous occasions to obtain the promised details of the beneficiary.

NatWest accepted it had made mistakes. The initial request to recover the payment hadn't been completed correctly. And this wasn't corrected until 14 June 2022. It then paid S £400 in compensation. In August 2022 it told S that the receiving bank hadn't received a response from the beneficiary and so the money couldn't be recovered. NatWest offered to obtain the name and address of the beneficiary for S under the Payment Services Regulations (PSR) 2017. In December 2022 it accepted that S had asked for this information a number of times and it paid it a further £100 in compensation. The information about the beneficiary was provided on 17 January 2023. When it sent its case file to this service it offered to pay S an additional £300 in compensation noting the time S had spent on the phone requesting this information.

Our investigator didn't recommend that it do anything more than it had now offered to. She said that she didn't think that the beneficiary would have likely responded had it been contacted earlier. And the total compensation now of £800 was reasonable to reflect the delays and poor service provided.

S didn't agree and wanted its complaint to be reviewed by an ombudsman. It said that the compensation doesn't reflect the losses. S had spent time on this due to NatWest's failings. The offer also doesn't compensate it for the financial loss. NatWest had only provided the beneficiary's information in January 2023, and this affected its ability to recover the funds.

## 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 note from the complaint form provided to this service that S states that having made a payment to the wrong payee it *"was unsuccessful in getting the recipient to return the funds and reported this to NatWest on 15 March [2022]"*. NatWest is expected to make reasonable efforts to recover the payment. And there is industry guidance that it should make the recovery request within two working days. There is no guarantee of success and no right to a refund in cases where a faster payment was effectively authorised by S even if in error. A refund would depend on the beneficiary agreeing to this and here there was no response.

S was entitled under the PSR to *"all available relevant information in order for the payer to*

*claim repayment of the funds.*” And NatWest offered to obtain the name and address of the payee. It is sometimes the case that where say payee details have been input incorrectly that the sender doesn’t know where the money has gone. Here it seems S did know the name of the beneficiary, but it wanted as much information as possible. I’ve listened to calls made by S about this from August 2022. And it’s clear that there was a lack of understanding by NatWest members of staff about the nature of the query and what had already been offered in a letter. To obtain this information required NatWest to contact the recipient bank for the details. And it did that when it says the case was reopened on 28 December 2022 and was able to obtain these and provide them to S on 13 January 2023.

#### *my assessment*

Clearly S wants a refund of the payment. I don’t have any information about the outcome of any efforts it has since made to recover the money say through legal means. And so, to be able to consider whether had these been commenced earlier they would say have been successful or even less costly. I also don’t have a basis to think that the recipient would have agreed to refund the funds had it been contacted any earlier by its own bank. S says it sent the money by mistake and at the time as I set out above it was unable to get the money back. This was a significant payment, and it seems *most likely* that had the recipient been prepared to recognise this was an error then it would have sought to rectify this at an early stage. I’m afraid I don’t have a basis on the evidence available to find that NatWest’s mistakes here resulted in S not receiving a refund.

As I referred to NatWest has caused S inconvenience including through the need to make a number of unproductive and frustrating calls and this led to an avoidable delay. I need to decide whether the compensation now offered is appropriate taking into account our published guidelines and that we don’t make punitive awards. We also don’t tend to make awards for specific units of time and nor at professional rates. Having taken these points and everything else into account I consider that its offer is reasonable, and I won’t be requiring it to do more than that.

#### **My final decision**

My decision is that I uphold this complaint and I require National Westminster Bank Plc to pay S a further £300 making a total of £800 as it has now offered to do.

Under the rules of the Financial Ombudsman Service, I’m required to ask S to accept or reject my decision before 13 September 2023.

Michael Crewe  
**Ombudsman**