

The complaint

Mr D is unhappy National Westminster Bank Plc (NatWest) didn't notify him that a third party would remain on his account when it changed from a children's account. He's also unhappy with the service received when trying to remove the third party.

What happened

Mr D opened an 'adapt account' in 2010 when he was a minor, which required a responsible adult on the account to act as a third party. So, Mr D's father was added as the third party. In January 2023 Mr D became aware of a PIN reminder request that he didn't make and upon enquiry discovered his father was still a third party on his account. Concerned by this Mr D made a complaint to NatWest.

NatWest explained that a third party remains on the account until the account holder requests for them to be removed. They acknowledged Mr D's concerns with this and said they have provided internal feedback so they can review how it works when a child with a parent as third party reaches 18. Whilst they felt the correct process had been followed, they accepted it hadn't been a straightforward experience for Mr D in trying to get the third party removed and offered him £250 for the distress and inconvenience caused.

Mr D remained unhappy so referred his concerns to this service. Our investigator didn't think NatWest had done anything wrong in terms of the third party remaining on the account. But noted that when Mr D asked for the third party to be removed it wasn't handled very well. She felt the £250 offered was fair and reasonable in the circumstances.

As the investigator was unable to resolve things, the complaint was passed to me and I issued a provisional decision on 11 September 2023 which said:

Having looked at NatWest's processes I can see a third party on an account can be removed at any time once requested by a customer. However, this wouldn't have necessarily been clear to Mr D given that the account was opened when he was a child and he wasn't aware a third party remained on the account.

Having reviewed the terms and conditions from the time of the account opening I can see they say:

"Adapt Account – You should review the Conditions that apply to your account with a parent or guardian. Adapt Accounts are only available to individuals aged 11 years to 18 years. When you reach 18 years we may change your account to a Step Account or a Current Plus Account or a Student Account or another account. We will notify you personally at least 30 days before we do this at which time we will provide you with up to date copies of Personal and Private Banking – Terms and Conditions and Personal and Private Banking – A Guide to Fees and Interest."

It doesn't specify any other changes such as removal of third party which supports NatWest's point that it isn't something that changes as part of the account change process. There are circumstances where it may be appropriate to retain a third party on the account

during account changes so I can understand why this may remain until the account holder requests removal.

However, in this case it is an important piece of information as a third party isn't a requirement of a general current account. So, I think Mr D should have been made aware so he could make an informed decision if he wanted his father to remain as third party. Especially as his father as third party could've carried out transactions without Mr D's authorisation.

From what I can see NatWest have followed their process in leaving the third party attached to the account. It isn't my role to tell NatWest to change its process. However, given that the account was moving from one that required a third party to one that didn't I think they should have at least made Mr D aware of the new account set up, so he was aware there was a third party still attached to his account.

I understand that when Mr D discovered his father was a third party on his account for a long period of time without his knowledge it has caused him distress. He feels it is a breach of his personal privacy and the knowledge that his father had access to his financial information has added to this and exacerbated his existing health concerns. Whilst Mr D's father was attached to the account this wasn't something Mr D was aware of until January this year. He then removed his father from the account in February 2023. I recognise this has had an impact on Mr D but I'm not aware of any concerns around Mr D's father's conduct throughout the years he was attached to the account that would suggest NatWest should have done more during that time.

NatWest have accepted their service fell short of expectations when Mr D sought their assistance in removing his father from the account, they offered £250 for the distress and inconvenience caused. They've taken on board Mr D's points and are looking to review the way they communicate third party links when changing from a child to adult account in the future.

Mr D doesn't think this fairly compensates him for the distress caused in relation to his father having had access to his account over the years. It's clear this has had really impacted Mr D and I don't doubt will continue to do so given what he's told us. However, I think the £250 NatWest has already offered is fair and reasonable in the circumstances as it adequately compensates for the distress and inconvenience caused when Mr D became aware of the issue and for the inconvenience caused when he was trying to remove his father from the account. I understand the instructions NatWest provided to remove his father didn't work initially and he ended up having to go to branch to submit the request, but once this was done the third party was removed in line with his instruction. This coupled with their proactive review of their process and as it doesn't appear that anything untoward happened during the years his father had access to his account, I consider it to be a fair and reasonable resolution to the complaint.

Responses to my provisional decision

NatWest didn't have any further comments or representations. Mr D has provided some comments in relation to the distress and inconvenience caused. Specifically in relation to his father's access to his account, which I'll address below.

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 recognise Mr D's strength of feeling regarding his complaint. I'd like to reassure him that whilst I'm aware I may have condensed some of the complaint points in far less detail and in my own words, I've read and considered everything he's told us. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail he would like, in order to reach what I think is a fair outcome. This isn't meant as a discourtesy, but it simply reflects the informal nature of our service.

Mr D has expanded on the impact this experience has had on him. He's told me that knowing his father had access to his account and could've seen his statements and transactions has caused significant distress, especially in light of the family situation.

Whilst I don't underestimate this, when I said in my provisional decision that I couldn't see 'anything untoward' had happened, I meant that I wasn't aware of any financial impact whereby Mr D's father had utilised his funds. I take Mr D's point that his father even just having sight of his account has caused him distress, we don't know for sure that Mr D's father accessed the account during that time. And even if we could see he had, there's nothing to suggest this had an impact on Mr D. I say this because Mr D doesn't know that it happened, he only became aware that his father was even on the account in January 2023.

I'm sorry to hear that Mr D is distressed over the thoughts of what could've happened. He's told me that without proof that his father didn't access his accounts, he's going to think the worst and I can understand that. But my role is to ensure NatWest put things right based on what actually happened and the impact that caused, not what could've happened.

Taking into account what did happen, based on the evidence available, I'm satisfied NatWest's offer to pay compensation of £250 is fair and reasonable in the circumstances.

Mr D has said that NatWest's actions in reviewing the process shouldn't have any bearing on his case or devolve any responsibility. And I agree. Whilst NatWest's decision to reconsider their process around third party links to children's accounts is a positive step for customers, they still have to take responsibility for what went wrong for Mr D. And as I've explained above, I'm satisfied they've done so.

My final decision

My final decision is that National Westminster Bank Plc should pay Mr D £250 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 December 2023.

Karin Hutchinson
Ombudsman