

The complaint

Miss S complains that National Westminster Bank Plc provided her with poor customer service, which resulted in her being without access to her funds for two weeks.

What happened

Miss S says that she upgraded her mobile phone on 5 February 2023, and because of this NatWest requested that she had to re-enter all of her login details to her banking application (app), however, these details were rejected, and she was locked out of her account. Miss S says she tried another way to get into her account through NatWest's website, which generated an activation code, and displayed a message to say an activation code would be received in the post in three working days. But when Miss S received the code it didn't work, so Miss S rung NatWest, who sent her another code, but this also didn't work.

Miss S says she spoke to NatWest call handlers several times and they did not provide her with any help despite her not having access to her funds, as the codes they sent her did not work. She says that one call handler sent a Personal Identification Number (PIN) for her joint account and not her sole account, one staff member did not call her back at the time she was promised, and due to the distress this was causing her, a manager spoke to Miss S and he said he would arrange some funds for Miss S for her on that day (17 February 2023), and he said he would call back and keep her updated, but the manager never rang her back.

Miss S says that the call handler who should have rung her earlier that day rang her four hours after the promised call back, and she acknowledged there was an error that when a new activation code was generated, it would void the previous codes, which Miss S had five sent out to her. Miss S says that she only gained access to her account on 18 February 2023, and she detailed the affect that this had on her health and her personal circumstances, being without access to her funds and having poor customer service. Miss S made a complaint to NatWest. She also complained about not being able to link her new debit card to a payment service provider.

NatWest upheld Miss S' complaints and the two final response letters said they paid her £50 each. They said Miss S was not eligible for the service to link her debit card to a payment service provider and that she could try again in the future as eligibility is reviewed monthly. NatWest said they should have handled things better. Miss S brought her complaint to our service.

Our investigator upheld Miss S' complaint. She said it was clear that this has been difficult and a frustrating time for Miss S as she was left without access to her account for approximately two weeks. So she said NatWest should pay Miss S a further £75 for distress and inconvenience and £25 for a late nursery fee Miss S incurred and for them to pay 8% simple interest on the date Miss S was charged this until the date of settlement.

Miss S asked for an ombudsman to review her complaint. She said she was unable to access her online account for over two weeks, and she was unable to see credit and debits on her accounts. She said while she could use money through a third party e-money provider during this time, she could not physically go into a shop and purchase even basic

essentials because she had no working debit card, and she was unable to use a third party payment processing service NatWest offered. She detailed how this affected her personally and her health, and she said the compensation should be higher.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Miss S has made a number of points to this service, and I've considered and read everything she's said and sent us – including her personal circumstances and everything that she's said about her health and the impact of NatWest's actions has had on her health. I won't be documenting these specific issues in great detail in this decision to help protect her identity, but I can assure her I've read everything she has said and I've taken this into account when deciding what's fair and reasonable here. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I've listened to a number of phone calls that Miss S had with NatWest. The first call I listened to was from 9 February 2023. On this call, Miss S details her issues with logging in online banking, and an activation code being sent out, but it doesn't work. She mentions she is late paying her nursery fees, and she has bills to pay. She says she is desperately needing access to her funds. The call handler tells Miss S that she can't do anything until Miss S enters the activation code, Miss S asks what she can do, and the call handler says there's nothing they can do. Miss S asks again if there is nobody else she can speak to and asks if she can speak to a manager, but the call handler tells her that while she isn't a manager, she is one of the most experienced people there.

Miss S says there was two activation codes sent out so she asks which one should she use. The call handler tells her to wait until tomorrow and to give them a call and if that doesn't work there will be one coming the following day or Saturday. She says she can't tell if there was one definitely sent out. Miss S is audibly upset with the process and tells the call handler she is a vulnerable customer, and she is unable to pay her bills. She asks what can be done for vulnerable customers and she asks to speak to somebody higher. A call back is arranged for the call handler's manager to ring Miss S. But it does not appear that Miss S got a call back, therefore she rang NatWest again on 11 February 2023.

I've listened to this call also. Miss S received a new activation code that morning. She tells the call handler that she's unable to pay her bills. Miss S becomes audibly distressed by recapping what has happened. The call handler tries to talk Miss S through the activation process. He tells her that the previous call handler should have explained the process to her, and Miss S tells the call handler she is unable to move money across her accounts. Miss S registers for the online banking and the call handler says he will put Miss S on hold to see if he can access this on his end.

When the call handler returns he says Miss S will need to ring back when she gets the details through the post. Miss S asks to make a complaint about the previous call handler, and she asks the call handler to order her a PIN for her debit card. The call handler asks if he wants her to send her a new card and a new PIN. She says she doesn't want a new card as the card is set up for online shopping, so she doesn't want to order a new card until she receives an activation code (that works). The call handler says he is arranging a PIN reminder to be sent to Miss S, and it would be processed the following working day.

Miss S rings NatWest on 14 February 2023, and she tells the call handler she's really

desperate to get the problem sorted that day. She recaps what has happened to the call handler. She tells the call handler she has a late fee for nursery fees as she's been unable to access her account. Miss S tells the call handler the impact on her mental health that this has had on her. The call handler explains that what appears to have happened is that when the activation code fails, it appears a new code is sent out to her, but because codes have been sent out on 5/8/9/11 February 2023, it appears Miss S was entering codes which were inactive while awaiting a new activation code – which then prompted another code to be sent.

Miss S is audibly distressed and breaks into tears. She tells the call handler she has bills to pay and pleads with the call handler to help her, unlike the other call handlers. The call handler says she will speak to her manager to see if she can speed things up. Miss S tells the call handler she is unable to pay for the nursery fees. She tells the call handler that her card is blocked also. The call handler suggests ways how she may be able to pay for the nursery fees by using someone else's card to make the payment if she had the sort code and account number for them. The call handler goes on to say that they can't get her back online today as they can't override their security system.

The call handler suggests that if she needs to move money from her account into her joint account (so the joint account holder can pay for bills), then they can do that over the phone. The call handler then focuses on the blocked card. Miss S asks the call handler can she make a payment to her friend as she was unable to pay her for the night before. The call handler says she's unable to, as she can only transfer between Miss S' accounts.

The call handler suggests Miss S may have a fault on her chip on the card. She also tells Miss S that the PIN reminder was sent for the joint account card, not the sole account card. The call handler explains that the activation code Miss S gave her was the one issued on 9 February, so she needed to wait for the one which was issued on 11 February for this to work. The call handler says she will pay Miss S a £50 goodwill gesture for what has happened so far. And she will pay this into her sole account. I've checked Miss S' sole account statement and I can see she did make this payment of compensation. This is separate to the other 2 x £50 compensation payments NatWest paid her. The call handler tells Miss S that she can call her back about 11:30am the following morning to see if she has the code, to save her discussing this with another call handler.

This call appears to be on 14 February 2023. But the next call I've listened to was on 17 February 2023. Miss S tells the call handler she was expecting a call at 10am that morning. While the call handler said 11:30am and not 10am, it does appear that given Miss S rung NatWest on 14 February, the call handler should have rung Miss S at 11:30am on 15 February 2023, but she still hadn't had the call back by 17 February 2023. She told the call handler she is in financial hardship, and she has no access to money.

Miss S is audibly distressed, and she is in tears. The call handler tells her she will try the activation code with her dated 12 February over the phone with her. Miss S tells the call handler about her mental health, and she indicates what she will do if the code doesn't work. She gives the call handler the code, and the call handler tells her the code has worked, and they need to set up a new PIN for telephone and online banking, and a password. But the security characters do not work, and the system tells her that she cannot complete her registration.

Miss S is very distressed at this point. The call handler tells her the phone number had been updated and it will take 72 hours to filter through. The call handler mentions ringing back the next day as this will be when the information is updated. I've heard the impact this had on Miss S. I won't go into detail what she said in reaction to this, but due to the concerns the call handler had about what Miss S told her she may do, she reassured Miss S not to take

any action and she would get a manager to speak to her.

The manager speaks to Miss S. She tells the manager the impact that this has had on her and her family, including not being able to pay for the nursery fees. She tells him that she needs to pay £25 for the nursery fees due to what NatWest have done. She tells the manager she is unable to pay for food for her family and put petrol in her car. She questions why a previous call handler updated her phone number if she knew it would prevent her from accessing her online banking.

The manager places Miss S on hold while he sees what he can do for Miss S, and the original call handler checks that Miss S is ok to continue to hold at times while the manager is looking for ways to help her. The call handler says that the manager was speaking to another department and that the manager would give Miss S a call back in half an hour, as they are trying to arrange some emergency cash for her, and the call ends with Miss S confirming her telephone number, which the call handler confirms they have that number on file. The call handler says she will try and check in on Miss S at some point today as well.

But I've seen no evidence that the manager called Miss S in the half an hour that she was told he would call. It does not appear he called her back at all, and neither did the call handler who said she would try and check in with Miss S, despite them both being fully aware of the impact of her situation. Miss S says she did receive a call later in the day from the call handler who promised to call her previously, who said she was unable to ring when promised as she was training, but it was only on the following day that I can see that Miss S was able to access her online banking.

I can see that NatWest paid Miss S £50 on three occasions for her complaints she made here. On 14 February 2023, she was paid £50 into her sole account, and NatWest have provided evidence that they paid her £50 on both 24 February and 7 March 2023 to her joint account. So she has received £150 for her complaints here. Our investigator suggested that Miss S should receive a total of £200 compensation - £175 for distress and inconvenience and £25 for the late nursery fee.

While I've not seen any evidence of the late nursery fee, I heard Miss S tell NatWest on the phone that she has to pay the nursery £25 because of their errors. NatWest did not dispute our investigators view of Miss S' complaint about them paying her £25 for this, so I think it is fair that they should still pay this.

Our investigator did suggest 8% simple interest to be paid on the £25 from the date that she was charged £25 to the date of settlement. Our service may award an interest payment if a customer has been deprived of their money. But while Miss S did not have access to her online banking during this period, her statements show that her money wasn't restricted, as she did have access to this – but not through all of the channels she wanted. A call handler did offer to move money to her joint account, to enable the other joint account holder to make payments on her behalf. So I can't reasonably say she was deprived of her money, and therefore I won't be asking NatWest to pay interest on the £25 payment.

But that's not to take away from any of the impact this had on Miss S. I'm not persuaded that the £175 for distress and inconvenience does reflect the impact of the events had on Miss S. I say this because although the issues didn't last for several weeks and Miss S could make certain payments via a e-money provider through her account, NatWest let Miss S down several times over these two weeks.

It appears that every person she spoke to over these two weeks at NatWest let her down in one way or another. I'm satisfied that if the first call handler took control of the situation, then this could have saved Miss S a lot of distress in the following week and a half. But instead,

she identified herself as being one of the most experienced people there, but she didn't offer to help move money for Miss S, she didn't realise the activation codes didn't work due to the time it took Miss S to receive them, she didn't offer emergency money despite Miss S' position, she didn't escalate the call higher when Miss S asked her to, and she didn't successfully arrange the call back that she promised Miss S from a manager.

While the next call handler appeared to be more helpful, he sent out the PIN reminder for the wrong card which added to the distress Miss S experienced. The following call handler said she would ring back the following day at 11:30am, but it doesn't appear that she rung Miss S back until two days after she promised, and this was on an afternoon and not the morning. The call handler had amended Miss S' number slightly on the system which caused problems for the call on 17 February, as this prevented the online banking activation, which led to Miss S being very audibly distressed, and my understanding is that authorities were contacted to check on Miss S.

The call handler on 17 February said she would try and ring Miss S back, and while she didn't guarantee that she would, given the condition Miss S was on the phone, it would have been proportionate for her to either not say this to Miss S or to ring her back. And the manager who promised her a call back in half an hour let Miss S down as he set an expectation that they may be able to resolve the issue for Miss S and arrange for her to access emergency money.

So I'm persuaded that a total of £500 compensation for distress and inconvenience along with the £25 for the nursery fee is more proportionate for the issues that Miss S raised across her complaints. As she has already been paid £150 (3x£50), then I'm satisfied that NatWest should pay her another £350 (to total £500) for distress and inconvenience and £25 for the nursery fees.

When thinking of fair compensation, I've factored in Miss S' personal circumstances. From the very first phone call she told NatWest she was vulnerable, yet the call handler did not act on this information. Miss S was unable to withdraw cash to pay for essential items in physical shops. And while she could pay for certain things through an e-money account, she would be unable to complete all of her transactions this way. Her vulnerability was made clear to NatWest over the several calls she had with them.

It was only later on that Miss S was offered to transfer funds to the joint account on the phone and to be told they had an emergency cash process (albeit nobody actioned this for her). Miss S took the actions she was told by call handlers by ringing back when she had new codes, but as mentioned, each call handler let her down when dealing with her. So taking into account her vulnerability, what she made NatWest aware of and the several issues she had which were caused by NatWest, and the impact these had on her, I'm persuaded that a total of £500 for distress and inconvenience (less what she has already been paid) and £25 for the nursery fees is proportionate for what happened here. So it follows I intend to ask NatWest to put things right for Miss S."

I invited both parties to let me have any further submissions before I reached a final decision. NatWest accepted the provisional decision. Miss S said she had nothing further to add to the provisional decision except her profound disappointment in the decision reached. She said no monetary amount can fix what she had endured, but the amount is incredibly upsetting. She said she suffers daily with what happened and it turned her life upside down.

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've considered what Miss S has said in response to the provisional decision. There's no doubt that what happened here had an impact on Miss S, and this was clear on the phone calls I listened to. This is why I had increased the compensation to reflect the impact the events had on her. But our awards are not designed to punish a business. In the provisional decision I said *"When thinking of fair compensation, I've factored in Miss S' personal circumstances. From the very first phone call she told NatWest she was vulnerable, yet the call handler did not act on this information. Miss S was unable to withdraw cash to pay for essential items in physical shops. And while she could pay for certain things through an e-money account, she would be unable to complete all of her transactions this way. Her vulnerability was made clear to NatWest over the several calls she had with them."*

It was only later on that Miss S was offered to transfer funds to the joint account on the phone and to be told they had an emergency cash process (albeit nobody actioned this for her). Miss S took the actions she was told by call handlers by ringing back when she had new codes, but as mentioned, each call handler let her down when dealing with her. So taking into account her vulnerability, what she made NatWest aware of and the several issues she had which were caused by NatWest, and the impact these had on her, I'm persuaded that a total of £500 for distress and inconvenience (less what she has already been paid) and £25 for the nursery fees is proportionate for what happened here."

So while I really empathise with what Miss S went through, I'm satisfied that the compensation I said I intended to award her is proportionate and in line with our awards for compensation. In summary, Miss S' response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Miss S is disappointed, I hope she understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint. I said I intend to ask National Westminster Bank Plc to pay Miss S a total of £500 (less anything that has already been paid to her) for distress and inconvenience, and £25 (in addition to the distress and inconvenience) for nursery fees. I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint. National Westminster Bank Plc should pay Miss S a total of £500 (less anything that has already been paid to her) for distress and inconvenience, and £25 (in addition to the distress and inconvenience) for nursery fees.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 5 December 2023.

Gregory Sloanes
Ombudsman