

The complaint

Mrs G complains National Westminster Bank Plc (NatWest) have:

- Changed her current account from a Reward to a Select account without telling her
- Continued charging her £24 a year for a Reward credit card even though the rewards had stopped around a year previously
- Told her she missed a payment on her credit card when she'd already made the payment

What happened

Mrs G originally contacted NatWest to chase them about rewards she expected to receive on her current account but hadn't, as during the pandemic she said she had accumulated about £95.15 worth of rewards. When she spoke to NatWest she was surprised to find she now had a Select account, as her debit card says Advantage Gold on the back, and she still gets emails about Rewards. She was also unhappy at being contacted about missing a payment on her credit card, when she'd made this payment in advance.

NatWest addressed Mrs G's complaints across two letters – Mrs G had to follow up with NatWest to get a full answer to her complaint:

- In their initial response, they weren't sure why Mrs G's account had been downgraded from a Reward account to a Select account and said they'd find out and would ensure they refund any rewards Mrs G had missed out on. In their second response, they said it was because she no longer met the Reward account requirements following a credit check but made no reference to the missing rewards at this time.
- While speaking to the Rewards team, they noticed Mrs G had a Rewards credit card which was no longer eligible for rewards from around a year ago. So they said they'd refund the £24 annual fee she'd paid when she couldn't have benefitted from rewards.
- For the credit card missed payment email, they said Mrs G had sent the payment on the evening of 28 March 2023, and the email about the missed payment was received on 29 March 2023. They couldn't establish why the email had been sent with certainty but suggested it may have been because the payment made by Mrs G was made after the cut-off date for receiving payments, and the email was then automatically generated the following day before the payment had shown on their system.

In total, NatWest paid Mrs G £144 - £24 refund of the annual fee, £20 for the missed payment email, and £100 for the remaining issues in compensation – this money was paid to her current account.

Unhappy with this, Mrs G asked us to look into things – saying she wasn't happy she'd had to chase up NatWest to finally get a reply regarding her current account. As part of our standard process, we asked NatWest for their side of things.

They provided us with a lot of information – and in doing so accepted the previous responses they'd provided to Mrs G were incorrect. In respect of Mrs G's current account, they now said this had never been a Rewards account as she'd never paid a charge for this. Instead, what they thought had happened was Mrs G was receiving rewards through their MyRewards scheme. This provided rewards for customers using their debit cards at certain retailers. And the £95.15 Mrs G was referring to was made up of three payments made to her current account from this 'My Rewards' scheme. In respect of the type of credit card Mrs G had, they said it was a platinum card, and they couldn't see it'd been amended since she first had the card. So, this credit card was never a rewards card – the fee of £24 was simply an annual fee for having the credit card. For these additional issues, NatWest offered Mrs G another £200 compensation to reflect their poor communication.

Our Investigator put this offer to Mrs G, to see if it resolved matters for her but she didn't accept this – so he reviewed her complaint in full. Having established we could only look into issues since 17 April 2023, which Mrs G accepted, overall he found NatWest had now made a fair offer to resolve matters.

Mrs G didn't accept this. She felt NatWest still hadn't treated her fairly. So, the complaint's been passed to me to decide.

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.

Mrs G's current account

NatWest told Mrs G her current account had been changed from a Rewards account to a Select account. And, because of this and not telling her they'd done this, once they'd sorted out why they hadn't told her, said they'd provide her with the rewards she'd missed out on.

But, when contacting our service, NatWest have made it clear Mrs G never had a Rewards account. They've provided evidence to show when her account was opened on 12 August 2010 it was opened as an Advantage Gold Packaged account, and this was converted to a Current Plus account on 9 February 2011. Mrs G's account is now referred to as a Select account. I'm unclear on exactly when it might have changed from being referred to as a Current Plus account to a Select account – but the key issue is whether Mrs G had a Rewards account.

Although NatWest initially told Mrs G that is the type of account she had, they've since told us this was wrong information they gave her – and all the evidence I have supports that.

The current terms and conditions of Rewards accounts require a monthly fee. Mrs G has suggested this wouldn't be a fair comparison – as NatWest may not have charged a fee historically. I understand her point. But generally when a bank like NatWest introduces a fee for something like a Rewards account, they'd move all their customers on to having to pay a fee for the account. Having been through Mrs G's current account statements from 1 October 2020 to 27 July 2023 there are no fees for a Rewards account. This suggests Mrs G hasn't had a Rewards account during the October 2020 – July 2023 timeframe. And if Mrs G's account had been changed from a non-fee paying account to a fee paying account I'd expect to see that in the information NatWest gave us about her account type.

Mrs G has pointed to her receiving some rewards – and she's right. On 12 October 2020 she received £78.74, on 28 April 2021 she received £8.33 and on 13 June 2022 she received £8.08.

NatWest's explanation for this is that Mrs G was a member of their MyRewards scheme. This doesn't require any monthly fee, but pays 1% cashback if Mrs G makes payments to certain providers NatWest have arrangements with. In context, this appears to make sense. The credits Mrs G has received are sporadic in nature, and if Mrs G had a Rewards account which she was paying a fee for, I'd expect her to have received far more Rewards than are currently showing on her account.

I have noted Mrs G's comments about the change in card issuer – but I think all of the above evidence points to her never having had a Rewards account. So, although NatWest initially told her they'd downgraded her account, and would pay her rewards she'd missed out on, I'm satisfied her account was never downgraded and she's not missed out on any rewards. I do though completely agree with Mrs G's comments that NatWest's communication has been very poor. I'll address that in the 'Putting things right' section below.

Mrs G's credit card

Again, in NatWest's first response they told Mrs G this was a Rewards credit card. Mrs G thinks this is true, because she's been paying a £24 annual credit card fee and thinks no one would pay that unless there were some perks that came with it. NatWest though have since said, again, they told her in error this was a Rewards credit card – when actually it was a Clear Rate Platinum credit card.

Credit card providers can and often will offer a large number of different products with different features – some of those will charge annual fees, some may not.

I've reviewed all the evidence I've got. I've looked at all the credit card statements provided by NatWest – including years 2015, 2019, 2022 and 2023 and there is no suggestion on any of those statements that Mrs G has a Rewards credit card. The statements also show the annual fee of £24 being applied.

I've seen Mrs G point to the annual fee also being £24 for the Rewards credit card. I agree, it is. But that in itself isn't evidence she's got a Rewards credit card – credit card providers may charge the same fee for different cards.

In addition, NatWest have provided us with internal screenshots – all of these show Mrs G's credit card as a Platinum account, not a Rewards account.

So, similar to the above with Mrs G's current account – I find it's not a Rewards account, meaning Mrs G hasn't lost out on any rewards, but NatWest's communication telling her it was in error has been poor.

Missed payment on credit card email

NatWest have shown from their systems this email was generated at 11.59pm and 59 seconds on the evening of 28 March 2023.

Looking at Mrs G's statement, this shows her payment of £1,800 as being credited to her account on 29 March 2023.

Mrs G's credit card statement says the minimum payment needs to reach her account by 28 March 2023. Based on what I've seen, although she may have made the payment on the

same day, she didn't allow enough time for the payment to reach her credit card account 'by' 28 March 2023. As a result of that, technically her payment was late, so I can't see NatWest legitimately did anything wrong on this point.

Putting things right

As things stand then, I think NatWest haven't done anything wrong in terms of downgrading or changing Mrs G's current or credit card account – as they've not changed them. Nor have I found any evidence of them denying her reward payments she would legitimately be due. Despite that, NatWest refunded an annual fee of £24 which they didn't need to.

In addition, I've found NatWest didn't do anything wrong with emailing Mrs G about the missing payment – as it'd not been made in time to be applied to her credit card account by 28 March 2023 as required. Despite this, NatWest paid Mrs G £20 compensation for this issue.

But, clearly, NatWest's communication has left a lot to be desired. NatWest's first response was in April 2023, their next in June 2023 after Mrs G chased them up – and both responses were wrong. I don't doubt Mrs G's immense frustration at the complete lack of clarity she's had regarding these issues. My role though, as Mrs G herself said in her last email to our service, is to decide whether the compensation now on offer is a fair way to put matters right.

Overall, I think a total payment of £344 is fair. I do find it very disappointing NatWest weren't able to clearly articulate to Mrs G over several responses what was actually going on – but I think the compensation is fair. At this point, I understand £144 has already been paid to Mrs G, with the remaining £200 not yet being paid.

My final decision

National Westminster Bank Plc have made an offer of £344 in total to resolve this complaint which I find is fair in all the circumstances of this complaint. So, my decision is NatWest should pay the remaining £200 of the £344 offer to Mrs G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 22 February 2024.

Jon Pearce
Ombudsman