

The complaint

Mr D complains National Westminster Bank Plc are culpable for him making a £2,500 payment to a non-existent account.

What happened

Mr D says that on 11 April 2023 he made an error when he created a payment to a non-existing bank account and paid it £2,500, but NatWest allowed the payment to go through even though this account didn't exist. He said his NatWest statement showed that £2,500 was paid into his account on 11 April 2023, and £2,500 was paid out on 11 April 2023 also. He said this payment was not showing on his third party bank account on 11 April 2023 or any other date following this. A faster payment recovery was raised, but this was rejected. Mr D made a complaint to NatWest.

NatWest partially upheld Mr D's complaint. They said Mr D made an online banking transfer for £2,500 from his NatWest account on 7 April 2023, which was debited from his account on 11 April 2023, and having reviewed their records they could confirm that the funds were sent via faster payments to the account details for his third party bank, which he also provided the statement, and they could see the funds crediting that account. NatWest confirmed that the funds had been sent to the correct account held by Mr D and no recovery was required.

NatWest said they sent Mr D a letter dated 2 May 2023 stating that the faster payment recovery had been rejected and closed. They said the payment had not rejected. It was successfully accepted at the receiving end and the faster payment claim was rejected. They paid Mr D £60 for the confusion. Mr D brought his complaint to our service.

Our investigator said the £60 compensation was fair. He said although the payment would have debited and credited the accounts on the same date, the transaction dates on the account statement is different. He said NatWest accepted the error on their part in the letter they sent him dated 2 May 2023, which was confusing as his account statement showed debits and credits of the £2,500.

Mr D asked for an ombudsman to review his complaint. He said his third party bank account showed that the NatWest payment received using faster payments on 7 April 2023, but he asked how it was possible for NatWest to claim this is the 11 April 2023 payment to his third party bank when his third party bank statement shows no funds paid into his account from 11 April 2023, so he wanted to know what account the 11 April 2023 payment of £2,500 was made to.

Mr D sent us his NatWest and third party bank account statements for April 2023, and he said a careful examination of the NatWest statement shows the transaction on 11 April 2023 where he used his mobile phone to mistakenly make a payment of £2,500. He said a careful examination of the third party bank statement doesn't show a paid in transaction dated the 11 April 2023 as suggested by NatWest.

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.

Mr D has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I've looked at Mr D's statements for his NatWest account and his third party bank account, and I can understand why he is confused by the explanation that he has been given as the dates don't align. But I've also had a look through Mr D's online audit, as this shows me what actions Mr D took and when.

Part of the confusion is because of the dates shown on his external bank statement and his NatWest bank statement. This is why it appears these dates aren't aligned. His external bank statement shows the date of 7 April 2023, but NatWest don't show this date on their statements as this was Good Friday. So as it was Easter weekend, this is why their statements show from 11 April 2023 – the next working day after the bank holiday weekend.

Mr D's third party bank statement shows that he made a faster payment out on 7 April 2023 (Good Friday), for £2,500. While it doesn't show the destination, I can see that Mr D's NatWest statement shows a credit of £2,500. But as Good Friday was not classed as a working day, this is why this payment shows on his NatWest statement on 11 April 2023. But while this shows on his statement dated 11 April 2023, it credited his account on 7 April 2023. I say this because in the description section, it shows "FP 07/04/23" which would stand for faster payment 7 April 2023.

While Mr D's NatWest statement shows a payment leaving his NatWest account for £2,500 next to a statement date of 11 April 2023, the payment wasn't actually made on 11 April 2023, and this is why there is confusion here. The description of this payment shows "FP 07/04/23" again. And the transaction type shows a mobile or online transaction. So I looked at Mr D's online audit to make sure what happened here as the audit reflects the real time actions.

I can see that Mr D did make this payment on 7 April 2023 as shown in the description. While Mr D says he sent this payment to a non-existent account number, the online audit gives me the sort code and account number where this payment was sent. And this shows that Mr D actually sent the £2,500 to his third party bank account on 7 April 2023. This is why Mr D's third party bank statement shows a £2,500 faster payment into his account on 7 April 2023, as the evidence shows NatWest followed Mr D's instructions on 7 April 2023 to pay this amount into his account. As his third party account does show non-working dates on his statement, this is why this is shown as the same day the payment was received on 7 April 2023, instead of from 11 April 2023.

Mr D believes he sent the payment to a non-existent account. But the sort code and account number he quoted on his correspondence to NatWest would not match an account and NatWest wouldn't be able to process a payment under these details. It appears that Mr D has misinterpreted the reference on his £2,500 payment out as being a sort code and account number. But it isn't. This was his reference for the faster payment he made to his third party bank account on 7 April 2023 (although this shows a statement date of 11 April 2023, the online audit proves he made this payment via his phone on 7 April 2023).

Looking at the online audit of Mr D's account, I can see no faster payments out of his account for £2,500 that he's made online/mobile from his NatWest account after the 7 April

2023, until he paid £2,500 into a third party savings account on 21 July 2023 (which is to the third party bank he told the NatWest call handler on 11 April 2023 he wanted to transfer to). So I'm satisfied that Mr D made a payment out of his NatWest account for £2,500 on 7 April 2023 and this went to his third party bank account (and shows on his bank statement as a faster payment in) also on 7 April 2023 (even though it has a statement date of 11 April 2023, as I've explained why this was earlier).

So while NatWest did not make an error with this payment, or pay it to a non-existent account, they did cause confusion with the letter they sent Mr D dated 2 May 2023 when they said *"it was found that the payment was rejected and automatically credited back to your account on 11 April 2023"*. The payment was not rejected and automatically credited back. It was a payment Mr D made to his third party bank account. And it wasn't on 11 April 2023 as the letter said, as it was 7 April 2023 the payment was made, as the description on his payment shows (and the online audit I looked at). So I'm persuaded that this letter added to the confusion.

This meant Mr D tried to raise a faster payment recall on 12 May 2023. But NatWest should have taken this opportunity to try to explain to Mr D this wasn't necessary as they had transferred the £2,500 to his third party bank account as per his instruction on 7 April 2023, and not to a non-existent account. So they inconvenienced Mr D by not doing this, which would have caused Mr D further distress when he found out this faster payment recall was rejected (on the basis it had already reached his third party bank account).

So I've considered what would be a fair outcome for this complaint. While there's been a lot of confusion about dates and statements, I'm satisfied that the £2,500 payment made out of Mr D's NatWest account over the Easter bank holiday weekend was credited to his third party bank account, and he made this payment on 7 April 2023. But NatWest let him down with the unclear letter they sent him dated 2 May 2023, and for not explaining what happened sooner, despite having the opportunity to do so. NatWest paid Mr D £60 for this. As this is in line with our awards for what happened here, I'm persuaded the compensation was fair. So it follows that I don't require NatWest to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 5 March 2024.

Gregory Sloanes
Ombudsman