

## **The complaint**

Miss S complains National Westminster Bank PLC (NatWest) did not recover two online payments she made in error.

## **What happened**

The circumstances that led to the complaint are well known by both parties, so I won't repeat them in detail, but in summary:

In June 2023, Miss S made two transfers totalling £1,200 via her online banking app from her NatWest account to cover a mortgage payment in an account she held with a different bank.

Miss S said she realised soon after making the payments she had made an error as the payments had not gone into her other account. She explained she telephoned NatWest the same day, NatWest agreed to call Miss S back but did not.

Having not heard anything, Miss S visited a NatWest branch in mid-July and asked it to recover the two transfers. The branch raised a dispute about these two transfers, Miss S said visiting the branch took four hours of her time.

Miss S explained she had to borrow money from family and friends to cover her mortgage payment, suffered stress and took time off work because of this.

NatWest explained it had contacted the bank which received the two payments, it explained the recipient account holder said the funds belonged to them and provided evidence, so NatWest was unable to recover the money.

NatWest accepted it should have provided a better service when Miss S first telephoned and said it was not able to establish why it had not called her back. NatWest apologised for this and paid compensation of £50.

NatWest explained whilst it sympathised with her, it concluded it had not made the error.

Miss S complained to our services, explaining she wants her money back and the person refusing to return her money should be sanctioned.

NatWest provided us with evidence it had tried to recover the transfers. The form the branch completed explained Miss S knew the recipient of the transfers, explaining she had accidentally paid her *'builder'* after saving her name as the payee name for her builder's bank details.

Miss S also confirmed to our service she knew who the funds had gone to and tried to contact them, but they had *'blocked'* her.

NatWest also provided us with evidence the receiver of the transfers had said the money was theirs, explaining this money was for *'services provided'*.

Our investigator didn't recommend that the complaint be upheld. He was satisfied Miss S authorised these payments and made a mistake when completing the transfers online.

He explained customers do not have an automatic right to get funds back in such circumstances, but NatWest needed to take reasonable steps to recover the money, but NatWest could not compel the recipient bank or recipient customer to pay the transfers back.

Our investigator thought the steps taken by NatWest in contacting the receiving bank and getting a response was enough to satisfy this requirement.

Our investigator thought the delay in contacting the receiving bank would not have made a difference to the outcome as the recipient was unlikely to have paid the funds back, regardless of how quickly they were contacted, as they claimed the funds were theirs.

Miss S disagreed with our investigator's recommendation; therefore this complaint has been passed to me to make a final decision.

### **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.

Firstly, I would like to offer my sympathy to Miss S. It has clearly been a distressing situation for her.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Miss S explained she made and authorised the transfer using her banking app on her mobile phone, it appears she made a mistake when saving and entering details for the recipient of the transfer.

Miss S has not disputed this, from the evidence I have seen, I am satisfied the error was not caused by NatWest.

As explained above, in such circumstances customers are not automatically entitled to a refund, but NatWest should take certain reasonable steps to try to recover the money. I have therefore carefully considered whether NatWest took the appropriate steps following Miss S raising this issue.

When Miss S initially told NatWest about the two internet transfers, NatWest should have contacted the receiving bank within two working days. NatWest should have asked the receiving bank to prevent the money being spent or withdrawn. If the money was still available, and the recipient agreed the money wasn't theirs, then the sender, Miss S, should have had their money back within 20 working days.

If it wasn't possible to get the money back, as in this case where the recipient said it is their money and provided evidence for this, then the customer's bank should tell their customer the outcome within 20 working days.

There are three elements I have considered here, whether NatWest, by not complying with the two day timeframe, caused Miss S more distress than was necessary, whether prompter

action would have achieved a better outcome for Miss S, and whether NatWest explained to her the options she had.

Firstly, it is not disputed NatWest failed to comply with the required two day timeframe. NatWest accepts it should have provided a better service, have apologised and offered £50 compensation.

NatWest should have telephoned her back as agreed, and started the process described above much quicker than it did. NatWest has not been able to explain why it did not call Miss S back but has since apologised and accepted it should have provided a better service.

Therefore, I think the distress this delay caused, and the inconvenience Miss S experienced by having to go into a branch in mid-July, was avoidable to some extent.

For the reasons above I will uphold this part of the complaint.

Secondly, I have considered whether Miss S may have achieved a better outcome if NatWest had responded in the correct timeframes.

From the evidence I have seen, it appears the recipient of the transfers considered this as payment for a service they provided to Miss S.

It appears Miss S referred to the recipient as '*her builder*' when she visited the branch, which would suggest this was someone who she had previously entered into a contract with to provide her with a service.

I therefore think, considering the evidence I have and on the balance of probabilities, it is likely the recipient would have said the funds were theirs regardless of whether the process of contacting them had been undertaken more quickly.

Therefore, I do not reasonably think NatWest's failure to act in the two day time frame affected Miss S getting the money back.

I also note NatWest received a response back from the receiving bank in early August, within the 20 working day time period from mid-July.

Based on this, I agree with our investigator's recommendations, and I do not uphold this part of the complaint.

Finally, I have considered whether NatWest did enough to advise Miss S of her options after they decided it had not made a mistake and would not compensate her for the funds.

Part 90 (4) of Payment Service Regulations 2017 states '*if the payer's service is unable to recover the funds it must, on receipt of a written request, provide to the payer all available relevant information in order for the payer to claim repayment of the funds.*'

The Financial Conduct Authority explains it expects banks (subject to some checks) to provide a name and address where documents can be served on the person who has received the money.

As established above, Miss S said she knew who she had sent the money to, and she had '*contacted the person and he refused to return money and blocked me...*'.

I am satisfied from the evidence I have seen, Miss S knows who the transfers went to and told NatWest this when she visited the branch. Miss S has also confirmed she has tried to recover the funds herself by contacting the account holder she paid.

For these reasons, I don't think NatWest needed to take any further action to recover the funds or assist Miss S any further as she had explained to it she knew who she had sent the transfers to.

This would now appear to me to be a civil matter between her and the third party she accidentally transferred money to.

I would also like to point out, in response to Miss S's comments regarding sanctions, this service cannot sanction or fine individuals or organisations as this is not within our powers or remit.

### **My final decision**

For the reasons I have outlined above, my final decision is I partly uphold this complaint. If it hasn't already done so, I require National Westminster Bank PLC to pay £50 compensation for the distress and inconvenience it caused Miss S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 25 April 2024.

Gareth Jones  
**Ombudsman**