

The complaint

Mrs T complains that National Westminster Bank Plc didn't handle her fraud claim appropriately.

What happened

Mrs T has a representative in bringing this complaint – for simplicity I'll refer to Mrs T in relation to comments made by her and on her behalf.

The details of this complaint are well known to both parties, and aren't in dispute, so I won't repeat them in detail. Briefly, Mrs T let NatWest know that she hadn't made an ATM withdrawal in August 2023 and the circumstances surrounding this.

NatWest initially treated the incident as an ATM dispute rather than fraud and so there was a delay of around a month before it provided Mrs T with a refund. In relation to this Mrs T has explained she spent a significant amount of time on this issue and received poor service from NatWest.

NatWest initially offered Mrs T £40 compensation to apologise for the impact on her, and it has since increased this offer to a total of £200.

An investigator at our service thought this offer was fair in the circumstances. Mrs T didn't agree this was enough and explained in more detail the time Mrs T had spent on the matter and the distress this caused.

The matter has been passed to me for consideration by an ombudsman.

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.

As NatWest has provided a refund of the transaction Mrs T says she didn't make, there is no outstanding financial loss here. So, I've focused on the issue of whether £200 is a fair level of compensation for the distress and inconvenience caused to Mrs T by NatWest's handling of her fraud claim. Having done so, I think it is - I'll explain why.

It isn't in dispute that Mrs T had multiple calls with NatWest in which she needed to repeat herself about the nature of her dispute and the fraud which occurred – which would have been distressing.

Mrs T says she also made branch visits, didn't receive calls that were promised, and was given incorrect information about the steps NatWest would be taking – for example, how the fraud would be investigated and that her card would be replaced.

NatWest has accepted it provided poor service and that it ought to have treated Mrs T's dispute as a fraud claim sooner and therefore issued her with a refund sooner.

Our service isn't a regulator, and it isn't our role to penalise firms such as NatWest. We are an informal service, and it isn't our approach to break down the compensation amount into an award for each individual failing. Rather I've considered what Mrs T has described and taken it at face value – and considering this as a whole, I think the £200 compensation NatWest has now offered is within the appropriate range of awards for the repeated small errors it has made over the course of around a month.

I can appreciate that the actual incident at the ATM has affected Mrs T, and I'm sorry to hear that she now feels uncomfortable using them alone. As it isn't NatWest's fault that a third party took the steps they did, it wouldn't be fair to hold it responsible for this – but I have taken into account how it's handling of her claim prolonged the stress of the experience and led to her needing to discuss it repeatedly as part of making my decision.

Mrs T has specifically raised the time she was without her funds (around a month) but hasn't said that there was a specific need for the funds during that time or an additional financial impact on her – so I've taken this point to be about highlighting the errors made by NatWest rather than a suggestion that Mrs T wasn't able to afford her normal lifestyle. In considering this point, I've thought about whether an interest award is appropriate here, but given the amount of time she was without her funds and the value of the payment, this would be only be nominal if I were to do so. In light of the compensation award here, I think what NatWest has offered is a fair and reasonable settlement in the circumstances.

Putting things right

NatWest has already refunded the disputed payment and made a payment of £40 compensation to Mrs T. If NatWest hasn't already done so, it should pay Mrs T the remaining £160 compensation offered.

My final decision

My final decision is that National Westminster Bank Plc should pay Mrs T £160 (if it hasn't already done so), bringing the total compensation to £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 22 July 2024.

Stephanie Mitchell
Ombudsman