

## **The complaint**

Mrs F complains that National Westminster Bank Plc has incorrectly debited her account £500 and declined her request for it to be reimbursed.

## **What happened**

On 28 July 2023, Mrs F went to an ATM which was operated by a different bank than NatWest. She says she attempted to view her balance and wanted to withdraw £10, but there was a technical error with the machine. Mrs F says the screen stopped working, no cash was dispensed, and her card was retained.

Mrs F says that before she left, after speaking to someone, she logged into her online banking and saw that £500 had debited her account. Mrs F then spoke to two security guards from the shopping centre and went into the third-party bank where the ATM was located but was told to contact NatWest.

NatWest declined Mrs F's request for a refund on the basis that it had not found an error with the transaction. NatWest later clarified it was the third-party bank operating the ATM that declined the dispute and that it relies on them to check for discrepancies with the machine. NatWest offered Mrs F £100 compensation in relation to customer service issues.

When Mrs F referred her complaint to our service the investigator upheld it. In summary they said Mrs F's recollection of events was credible and NatWest hadn't provided evidence to support that the transaction had been executed correctly. They recommended NatWest reimburse Mrs F £500 and pay her 8% simple interest on this amount from the date of loss until the date of settlement.

NatWest didn't agree, it said the technical evidence we were asking for was with the ATM owner and that it wasn't their process to obtain this itself.

So, the matter has been passed to me for a decision 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.

Having done so, I'm upholding this complaint for similar reasons to the investigator.

Mrs F says she didn't request or receive the £500 that has been debited from her account. Rather, she believes there was a technical issue with the ATM she attempted to use.

NatWest says that it isn't its process to ask for evidence from the ATM provider and that it must be able to trust their assurances.

The relevant law here is the Payment Services Regulations 2017 – these say that where a payment service user claims that a payment transaction has not been correctly executed, it is for the payment service provider (here NatWest) to prove that the payment transaction

was authenticated, accurately recorded, entered in the payment service provider's accounts and not affected by a technical breakdown or some other deficiency in the service provided by the payment service provider.

So, I consider that it is NatWest's responsibility to show that the transaction was processed correctly. This is the case even if a third-party's machine was used.

Mrs F says she spoke to the third-party bank at the time and was told CCTV could only be provided to the police, and that she had reported the matter to action fraud. Mrs F also said she was told of similar reports by local security.

There are a number of possibilities here in relation to what occurred, and without evidence from the ATM such as its journal roll etc, or wider information about the ATM, I don't think it was reasonable for NatWest to conclude that there wasn't a technical issue with the ATM or some other third-party fraud affecting it. I also have no reason to doubt Mrs F's version of events.

### **Putting things right**

For these reasons, I think it would be fair for NatWest to reimburse Mrs F £500 and pay her 8% simple interest on that amount for the time that she's without these funds.

I understand NatWest has paid Mrs F £100 compensation in relation to customer service issues and haven't seen anything to suggest this needs to be increased.

### **My final decision**

My final decision is that National Westminster Bank Plc should reimburse Mrs F £500 and pay her 8% simple interest<sup>1</sup> on this amount from the date the payment debited her account to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 21 October 2024.

Stephanie Mitchell

**Ombudsman**

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<sup>1</sup> If National Westminster Bank Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs F how much it's taken off. It should also give Mrs F a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.