

## **The complaint**

X complains that due to not being able to access their account with National Westminster Bank Plc online, they were unable to set up Apple Pay on their mobile phone and as a result gambled excessively.

## **What happened**

X tells us that they had a problem with gambling and used Apple Pay to control their spending because it didn't allow them to make gambling transactions. But X lost access to their phone and had to get another. They tried to set up Apple Pay on their new device but couldn't because they couldn't access online banking. So, X asked NatWest to send them a new authentication code which would reinstate the online banking facility. But there was a delay in the authentication code being received meaning X couldn't set up Apple Pay as quickly as they wanted. So, they had to use their debit card for spending which meant they were able to gamble.

X complained to NatWest about the delay in sending the new authentication code, making it aware of the problem they had with gambling and what the impact of not having access to Apple Pay had had on him. To resolve the complaint, X wanted NatWest to either refund the gambling transactions or pay compensation. NatWest recorded the complaint and said it would get a Customer Protection Manager (CPM) to call.

NatWest sent a final answer to X's complaint apologising for the issues and accepting it'd made an error in promising a call-back from a CPM. But it said X had been able to access online banking through an alternate device and could've blocked their debit card from being able to carry out gambling transactions. NatWest paid £100 compensation for the inconvenience X had been caused. Unhappy with NatWest's answer, X brought the complaint to this service.

One of our investigators reviewed X's complaint and concluded that NatWest didn't need to do anything further. They said although there'd been a delay in NatWest sending the authentication codes out, X could've still accessed online banking on their other device, set up Apple Pay without online banking and placed blocks on their card to prevent gambling transactions. X disagreed with our investigator's opinion and asked for an ombudsman's decision. So, it'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.

Whilst I have great sympathy for the situation X has found themselves in, I don't intend to uphold this complaint. I know this will come as a great disappointment to X, but I hope my comments below will help them to understand why I think as I do. I'd like to reassure X that everything they've said and sent in has been considered before I reached my decision. And I hope it won't be taken as a discourtesy that I haven't addressed each point they've made but rather concentrated on what I believe to be the key aspects of the complaint.

X says their way of controlling their spending on gambling was to only use Apple Pay because gambling transactions aren't permitted on that platform. However, when X lost their mobile device and had to buy a new one, they couldn't set up Apple Pay because they didn't get the authentication code from NatWest. As a result, they had to use their debit card which allowed gambling transactions to be made. Put simply, X believes if NatWest had sent the code, they would never have gambled and that makes NatWest liable for the losses they incurred.

In considering whether it would be fair to hold NatWest liable for X's losses here, I note that NatWest has said Apple Pay can be set up without using the mobile app – by receiving a one-time passcode. X disputes this. Since neither NatWest nor X can give any evidence of what appeared on X's screen, I must base my decision on what I think is most likely to have happened

In support of its argument, NatWest refers to its website and the instructions on it regarding setting up Apple Pay. I've looked at this and can see it gives two options for setting up Apple Pay. One is to use the NatWest app and the other is to set it up in the Apple wallet. Once Apple Pay is set up, for the card verification, the website says either the NatWest app can be used or a one-time passcode. But X's testimony is that when they tried to set up Apple Pay in this way, there was only one option showing – and that was the mobile app. This contradicts what NatWest says should've happened.

Whilst not doubting what X has told us, I think it's more likely than not that the option to receive a code by text was available. I can't say how obvious that option was, but it's shown on the website as an alternative way of setting up Apple Pay and if it weren't to be available then I'd have expected to have heard about the issue before. So, I think it's likely that Apple Pay could've been set up without the authentication code here.

That being said, there clearly was a delay in NatWest sending the code which it has paid X £100 for. That, in my view, is a fair amount which reflects the impact of not providing this sooner. But I don't think NatWest need to do any more than that here. I say that because I haven't seen that NatWest were or should've been aware that by not sending the code, it would be putting X at risk of losing money by gambling. All it could've known at the time is that X needed the code they'd asked for – it wasn't to know why X needed the code or what the impact of not providing it quickly could've been. That makes it difficult for me to say that what happened here would've been foreseeable to NatWest – which in turn means I don't think it'd be fair for NatWest to have to pay back the losses X has mentioned here. X only made NatWest aware of their gambling issues after they'd lost the money. And so it wasn't in a position where it knew X was at risk. Having looked at the transactions on X's account, some were made by card but others it would seem were funded by cash withdrawals from an ATM. And so, even if the card had been blocked from gambling transactions, X would've still been able to withdraw cash. I've seen nothing in the account history to suggest NatWest could've been aware of the likely impact of not providing the code here and so I think it would be unfair to hold it responsible for X's losses.

NatWest apologised for the fact X was promised a call-back from a CPM. But from the evidence I've looked at, there were several attempts for a CPM to contact X which were either unsuccessful or terminated. I can see also that NatWest has applied all the markers and notes it could to highlight and lessen the problem gambling on the account. So, I consider that NatWest has treated X fairly in the action it's taken on their account.

Having taken everything into consideration, I think it was possible for X to set up the Apple Pay facility without the authentication code. But even if that weren't to have been the case, I don't think NatWest was aware, or should've been aware, of any issues prior to this complaint being raised. And so, I don't think NatWest needs to pay any more compensation

or refund any of the gambling losses.

### **My final decision**

My final decision is that I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 20 September 2024.

Stephen Farmer  
**Ombudsman**