

The complaint

Mr B complains about the service provided by National Westminster Bank Plc in relation to payments being made to his account by third parties.

What happened

Mr B holds several accounts with NatWest. Two of the accounts are personal current accounts in his sole name - one account is named in Mr B's full personal name, while the other account name is Mr B's professional name.

Mr B has operated both accounts for many years without any major concerns. But, in November 2023, a third party attempted to make a payment into the account in Mr B's professional name. On this occasion, the third party received a message saying the account number, sort code and account holder's name didn't match. So, the sender didn't continue with the payment.

Mr B complained in December 2023 as the third party had used the correct account number and sort code and the account name. Mr B has also said when he called NatWest for updates, he was left waiting on the phone and wasn't given clear information.

NatWest said the issue the third party experienced was due to a process called Confirmation of Payee (CoP) – where the payment details including the account holders full name must match the recipient bank's records. And because the sender had input Mr B's professional name rather than his personal name, the sender received a message indicating the details didn't match. So, it didn't think it had done anything wrong in this respect. But it paid Mr B £40 compensation for the inconvenience caused due to call waiting times and poor communication.

Unhappy with the outcome Mr B asked this service to look into his concerns. But our investigator didn't think NatWest needed to take any further action in respect of the complaint. In summary she said that CoP had been introduced by industry regulators to help prevent fraud and that the third party could have proceeded with the transaction had they wanted to. She acknowledged Mr B had had to call NatWest about this issue, but she thought the £40 compensation NatWest had paid in recognition of the inconvenience caused was fair.

Mr B didn't agree with the investigator's outcome, and he asked for an ombudsman's decision. So, the complaint has 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.

Having done so, I've reached the same overall conclusion as the investigator. I acknowledge that Mr B will be disappointed as I can understand why he thinks something has gone wrong given this is the first time this problem has occurred. So, I'll explain why.

Confirmation of Payee

The investigator has explained in detail that COP has been widely introduced across the banking industry to prevent fraud, so I won't repeat all the details here. But as this is a process was introduced by industry regulator's, I don't find NatWest has done anything wrong by introducing this fraud prevention measure.

COP requires the sender of a payment to input the account number, sort code and the recipients full name in the payment details. The sender will then receive a message confirming whether the payment details match. It is then the sender's choice whether to continue with the payment or not.

Mr B has provided a copy of the message the sender received showing the account details they input didn't match. Having looked at this, I'm satisfied the sender received the message as they input were Mr B's professional name – not his full personal name.

I can see why Mr B wants his clients to use his professional name – the payments relate to his profession and it's the name showing on his cheque book and cards. But, while a customer may have more than one personal account with a bank, a bank only holds one personal customer 'profile' and that is generally based on the customers personal information – full name, date of birth, address etc.

And NatWest has shown that while Mr B's personal accounts have different names both accounts are linked to his single customer profile. So, I'm satisfied this is why the payment details didn't match.

But as mentioned above, the sender can choose to continue but in this case the sender choose not to. But this doesn't mean NatWest declined the transaction, rather the sender didn't continue with the payment. Overall, I don't find NatWest did anything wrong here.

I understand that Mr B wants reassurance from NatWest that future clients will be able to make payments into his account with his professional name without any issues moving forwards. But I don't find NatWest is required to give Mr B such a guarantee. As mentioned above, it is considered good industry practice for NatWest to operate the COP process.

I can see NatWest has suggested that Mr B opens a business account in his professional name. This would mean NatWest would hold a separate profile for the business account and this would stop the problems Mr B's clients have experienced. And I find this to be a reasonable alternative.

Alternatively, as mentioned about Mr B can ask the sender to continue with the payment despite the warning, or Mr B can ask them to input his personal name along with his professional account number and sort code.

Customer Service

Having listened to recordings of the calls Mr B had with NatWest about this issue, its evident Mr B experienced issues getting through to speak to an advisor. And when he did speak to an advisor, the information they were able to provide was limited. But I'm satisfied that NatWest explained that the problem was increased security and it sent Mr B a complaint form, so his concerns could be answered more thoroughly.

I wouldn't expect call centre staff to be able to answer every query a consumer raises. And this was the case here. But NatWest was able to confirm to Mr B – via the complaint

response, the reason for the issues encountered by the third parties sending money to him. So, I don't find that NatWest treated Mr B unfairly in these circumstances.

NatWest has acknowledged that Mr B experienced issues getting through to it on the phone. I've considered the impact this had on Mr B. Having done so, I find the £40 compensation paid by NatWest fairly recognises the inconvenience Mr B experienced when considering that we are all inconvenienced at times in our day-to-day lives – and a certain level of frustration and minor annoyance is expected.

While I understand Mr B's frustration about a change in process which has impacted how he wishes to operate his account, overall, I don't find that NatWest has acted unfairly when operating the COP process for payments. And it has paid fair compensation for its customer service failings. So, I won't be telling NatWest to take any further action in respect of this complaint.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 August 2024.

Sandra Greene
Ombudsman