

The complaint

Mr A has complained that National Westminster Bank Plc (trading as NatWest) won't refund transactions he says he didn't make or otherwise authorise.

What happened

This complaint revolves around a personal savings account which was opened in 2001, alongside a personal current account.

In 2008, Mr A moved to Africa.

In 2016, the current account became dormant and its balance went to an internal suspense account. The savings account, however, remained open.

In 2020, a UK-based customer with the same first name, last name, and date of birth as Mr A opened a business account and business loan with NatWest. NatWest linked the personal savings account to that UK-based customer's business account, and gave the UK-based customer access to the personal savings.

Following that, the contact details on the accounts were changed back and forth between Mr A's details and the UK customer's details, as the two wrestled access from each other.

In 2022, the UK-based customer transferred £3,000 – almost all the balance – from the personal savings account to his business account. Then as a result of the dispute over who the real account owner was, NatWest closed the accounts involved. NatWest sent the cheque for the remaining personal savings balance – £58.30 – to the UK-based customer. Mr A would like the £3,000 disputed payment and the £58.30 cheque reimbursed to him. Mr A says that the UK-based customer was defrauding him.

Our investigator didn't uphold the complaint. Mr A appealed and provided more information. The complaint's been passed to me to decide.

I sent Mr A and NatWest a provisional decision on 27 May 2024, to explain why I thought the complaint should be upheld. In that decision, I said:

Based on what I've seen so far, I think it's most likely that the Africa-based Mr A who has brought the complaint is the real accountholder for the personal accounts, and that the UK-based customer is the real accountholder for the business accounts. I think it's most likely that NatWest linked their accounts in error, based on their matching name and date of birth. I'll explain my reasons.

I am reasonably satisfied that Mr A is who he says he is. At our request, he has provided a copy of his authentic passport, a current matching photo of him holding up an African newspaper from May 2024, and his residence and work documents.

I find it's most likely that this Africa-based Mr A was the original accountholder of the personal accounts, for a number of reasons:

- He was able to provide pictures of original printed paper statements going back to 2008, long before the ownership dispute started in 2020.*
- He is emailing us from the oldest known email address registered to the personal accounts. That email was registered in 2008 – again, long before the dispute started.*
- The correspondence he provided was addressed to the oldest known UK address on the personal accounts, which was registered in 2004.*
- As far as I can see, the earliest change of contact details in this dispute was when the UK-based customer changed the contact details on the personal accounts from Mr A's to the UK-based customer's – not the other way around. So it appears that Mr A's details were the ones on the personal accounts before the business account got linked.*
- Similarly, I can see that the UK-based customer applied for the business account on 24 November 2020, then it was subsequently linked to the personal account. And before that happened, the only online banking activity I can see on the personal accounts all took place from IP addresses in the African location where Mr A lives. So it appears that Mr A was the one running the personal accounts before they got linked to the business account – and not the UK-based customer.*
- In February 2021, Mr A made what he says was his last genuine payment from the personal savings account. This was done from the African IP address which was being used before the disputed activity. And it was made to a payee who was previously set up and paid back in 2017 – several years before the dispute. So again, this indicates that Mr A was the genuine accountholder for the personal accounts from before the disputed activity.*
- The device and IP address used for the disputed £3,000 payment were new to the personal accounts. They only appeared in August 2022 and do not match the personal accounts' previous activity.*
- The UK-based customer lived in a very different part of the UK to where the personal accounts were registered to. And NatWest did not check their ID when linking the business account to the personal accounts – it only checked the partner's ID.*

So the evidence suggests that Mr A was the original accountholder for the personal accounts, and was the person using the personal accounts before the business account got linked and before the disputed activity began. On the other hand, I don't have much to evidence that the UK-based customer was the real accountholder for the personal accounts.

It is both likely and plausible that NatWest could have mixed the two customers up and linked them in error. After all, they share the same first name, last name, and date of birth. And there was no need for the UK-based customer to have been intentionally committing fraud here. Given that the personal accounts would've looked like they were in his name, were two decades old, and one had gone dormant, the UK-based customer may have simply thought they were old accounts of his that he'd forgotten about.

It follows that I currently think the £3,000 payment from the personal savings account was unauthorised, and that NatWest sent the £58.30 cheque for the remaining balance to the wrong person. And so NatWest should reimburse Mr A for that. It should also add simple interest onto those amounts to compensate Mr A for the time he's been without his money. It should send the remaining balance of the dormant personal current account to Mr A, if any balance remained. And just in case, it should make sure that the UK-based customer's business loan is not linked to Mr A's credit file.

I said I'd consider anything else anyone wanted to give me – so long as I received it by 24 June 2024. Both sides confirmed receipt of the provisional decision, but neither side added any new evidence or arguments.

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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

Putting things right

I direct National Westminster Bank Plc to:

- Reimburse Mr A for the £3,000 and £58.30 disputed payments. It should make sure it pays this to the complainant, who lives in Africa, and not to the UK-based business owner;
- Pay simple interest to Mr A on those transactions, at the rate of 8% simple a year, payable from the date they were debited until the date they're reimbursed. This is to compensate Mr A for the time he didn't have his money.

If NatWest considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mr A how much tax it's taken off. It should also give Mr A a tax deduction certificate if he asks for one. Mr A may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

- Pay Mr A the remaining balance of the personal current account from when it went dormant in 2016, if any balance remained; and-
- Make sure that Mr A is disassociated from the business account and loan, that they are not recorded on his credit file, and that he is not pursued for them.

My final decision

I uphold Mr A's complaint, and direct National Westminster Bank Plc to put things right in the way I set out above.

If Mr A accepts the final decision, National Westminster Bank Plc must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 July 2024.

Adam Charles
Ombudsman