

The complaint

Mrs Y complains about National Westminster Bank Plc (NatWest) after they helped her send funds to ISA savings accounts of her family. Mrs Y says this caused lost interest, inconvenience, and stress.

What happened

In January 2024, Mrs Y went to a branch of NatWest to send funds. Mrs Y's intention was to have £5,000 in three of the accounts, and £4,000 in the fourth account, all held with another provider who I'll refer to as X. NatWest processed the transfers for Mrs Y but in error, sent all four payments to the same ISA account with X. As a result, Mrs Y complained to NatWest.

Two of the payments of £5,000 were rejected but that left £5,000 too much in the account with X. The agreed action to be taken was to recall £5,000 which would have restored that account to Mrs Y's original intention in the branch that day, allowing her to resend the other payments.

NatWest investigated the complaint and apologised for their errors. They went through the detail of what had happened and by way of an apology, credited Mrs Y with £250 for the distress and inconvenience plus, £60 to cover a parking fine that Mrs Y incurred as a result of a branch appointment overrunning.

Remaining unhappy, Mrs Y referred the complaint to our service and our investigator started their investigation. Over the next few months, there was significant communication between our investigator, Mrs Y and NatWest in attempts to resolve the issue and get the funds in the right places to an extent of Mrs Y asking for all payments to be returned. After this period, our investigator issued their view in which they agreed that NatWest were responsible for the errors, that they should recall the £5,000, and also that the compensation awarded was fair.

Our investigator continued to communicate with NatWest and Mrs Y, and also with X but due to a combination of factors including sickness, and delayed responses, the matter remained outstanding. Eventually, it was agreed that the complaint be passed to 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.

I have looked at the information NatWest has supplied to see if it has acted within its terms and conditions and to see if it has treated Mrs Y fairly.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I was sorry to learn that what should have been a straightforward money transfer process has turned into a prolonged and very drawn-out experience. Part of my role is to determine

whether what took place was reasonable, whether NatWest followed process correctly, and also if Mrs Y did all they could as a customer.

What I believe is not in question is that errors were made by NatWest, specifically the sending all of the funds to the same account. And I'm pleased that NatWest initially apologised, took ownership, and tried to compensate accordingly.

This brings me onto NatWest's actions since the complaint has been with this service. It's always regrettable when the initial simplicity of a request, such as a recall of funds, is lost in months of correspondence; I must recognise that all Mrs Y wanted, and still wants is a simple resolution to an error which I'm convinced was not her fault.

I note that NatWest in trying to resolve the issue frequently used email, often making contact via this service, rather than direct phone calls to Mrs Y. It seems clear that usage of this communication method has not expedited the recall request or the complaint as a whole.

As an informal dispute resolution service, we consider awards according to what we consider to be a fair and reasonable reflection of the impact the distress and inconvenience has had upon the consumer. And so what I wanted to understand was the impact on Mrs Y of NatWest's errors, whether their offer is considered as fair, and also look at it through the lens of this service's compensation guidelines and similar cases. I would like to say that I do feel that the total of £250 plus the parking fine refund is fair as I do want to recognise NatWest's repeated efforts in trying to resolve this situation, albeit I find they did not always go about it in the most efficient way.

To that end, in order for this complaint to be resolved, I would strongly suggest that a suitably trained expert in ISA payments and recalls from NatWest telephones X to process the recall within the call. Or in the unlikely event this is not possible, liaise with a named contact at X to agree a date for the recall. A vital component of this is that Mrs Y must be kept updated regularly. This way, both NatWest and X can monitor the recall to a conclusion and Mrs Y can be informed. It follows that once the funds are credited to the originally intended accounts, NatWest instructs X to adjust credit interest to effectively put Mrs Y back into a position of if these errors did not occur.

I can fully understand how frustrated Mrs Y has been feeling with NatWest and taking into account all the circumstances, as I've stated, I believe their compensation payment is reasonable in the circumstances, so long as the payment in question is recalled promptly with minimal inconvenience.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. In addition to ensuring that the agreed compensation has been paid, I require National Westminster Bank Plc to make prompt contact with X by telephone and process the recall as a matter of priority, instructing X to make the appropriate credit interest adjustments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or

reject my decision before 15 January 2025.

Chris Blamires
Ombudsman