

The complaint

Mr C complains that he was robbed at a branch of National Westminster Bank Plc (NatWest) due to a lack of security and a lack of intervention from the staff. He said NatWest should reimburse his loss. And he also complained about poor customer service since the incident.

What happened

Mr C went to a bank branch in June 2024 to withdraw savings of £3,180, then went to a branch of NatWest to pay them in. Mr C was followed by thieves who distracted him while he was using the cash deposit machine and stole his money. Mr C strongly believes that NatWest and the other bank are liable for his loss, and he complained to both banks.

Mr C thinks NatWest is morally responsible for his loss due to poor security, positioning of furniture around the ATMs, and being told it is bank policy not to intervene if a robbery is taking place. He also referred to poor service by NatWest in the handling of his complaint and how his calls were dealt with.

NatWest responded that it couldn't accept liability for the loss. It said it has in-branch security procedures and staff will report criminal activity to the police. It described the incident and said it had provided CCTV footage to the police, but said it wasn't witnessed by branch staff.

NatWest said it can't protect or be responsible for cash until it is fully deposited either by being handed over at a till or secured and deposited into the cash deposit machine. While the cash is still in the customer's possession, its security is the customer's responsibility. It said as there has been no bank error, it wouldn't reimburse Mr C for the stolen cash.

Mr C told NatWest that he was unhappy with the way his complaint was handled, the speed with which NatWest came to its decisions and that CCTV footage was not watched. NatWest apologised for poor service in its call handling, in particular a lack of empathy from its call handler and hanging up on Mr C when he hadn't raised his voice or been threatening. And so, in addition to £300 already paid as compensation, NatWest paid Mr C a further £200.

Mr C wasn't satisfied with this as it didn't return his stolen money. He said the investigating police officer told him the CCTV footage shows that NatWest's branch staff let him down. And further that if more staff had been situated in the relevant areas and not at the back of the building the thieves would have given up. Mr C referred his complaint to our service.

Our investigator didn't recommend that the complaint be upheld. He said we are not the regulator and can't tell a firm what its security procedures should be - that role falls to the Financial Conduct Authority. He said we can't consider a point of complaint about how a business has handled a complaint as we can only consider points about regulated financial matters. And how a business handles a complaint isn't itself a regulated financial matter.

The investigator said NatWest wasn't liable for the theft or for repaying Mr C's losses. He said NatWest had provided Mr C with poor service and paid £100 gesture of goodwill and £500 compensation. He said NatWest's response to the complaint was fair and reasonable.

Mr C disagreed with the investigator and requested an ombudsman review his complaint. He said the investigator hadn't viewed the CCTV footage or police comments. He said a NatWest staff member sat closely to where the theft took place *'and he did not do a single thing to stop this crime taking place'*.

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 was very sorry to learn how this distressing distraction theft that Mr C fell victim to has affected his health and wellbeing. Mr C's complaint about the actions of the other bank have been considered separately.

Our investigator explained that we aren't investigating the theft of Mr C's cash and so we aren't required to examine all the evidence of what happened. Our approach is to determine whether or not the bank has treated Mr C fairly and reasonably in the circumstances of his complaint. In order to do that and because I can see how important it is to Mr C for us to look at the wider circumstances of what took place, I have viewed the CCTV footage from the bank and police and seen the police's report into the incident. I have also taken into account the relevant rules and guidelines along with what we consider to be good banking practices. I have spoken to Mr C about his complaint.

Mr C withdrew his cash from the other bank and then walked across the road and into the branch of NatWest with the cash in a clear plastic envelope. He approached the cashier positions but finding them busy approached an unmanned cash deposit machine. He put his envelope of cash to one side of the machine while he paid in his coins first.

It's not entirely clear to me why Mr C didn't transfer the money by means of an online payment, or if doing so was a problem, why he didn't ask the first bank from which he withdrew the cash to transfer it for him. Banks encourage online transactions because this is a far safer and quicker means of moving money between accounts and avoids the risks that Mr C exposed himself to. NatWest has pointed out that Mr C regularly carries out digital banking on his account and is aware of the ease at which transactions and transfers can be made without the need to withdraw and carry large sums of cash.

NatWest said that when Mr C put the money down near the cash deposit machine it was no longer securely in his possession. Mr C criticises the security arrangements in the branch and says it doesn't have enough machines. Our investigator explained that security arrangements are a matter for NatWest and are not something we can address as part of a complaint. This means that it is up to NatWest how it arranges its security and safeguards its customers. Having said this, there is no guarantee that different or 'improved' security would have prevented the theft taking place as NatWest's security arrangements were not the cause of the theft. The party that is ultimately responsible for the harm is, of course, the thief.

I think there's a more important point here. Because the theft took place before the payment transaction had been completed, NatWest is correct to say that it does not have responsibility for the loss of the cash. NatWest's policy here, which is in common with all banks, is that it assumes responsibility for funds once a transaction has been carried out and the funds are within its control. In Mr C's case this would have been the point at which his money was deposited within its machine, had he reached that point.

Notwithstanding this, I have viewed the CCTV footage from within and outside the branch in relation to Mr C's comments about the bank staff and the way they behaved at the time of the theft. Mr C says, *'Staff at the branch was aware of the incident and encouraged it'*, and that because of this and *'bank errors'* the bank is liable for the money that was stolen.

The CCTV footage shows the theft taking place while Mr C was being distracted by one of the thieves. I can see that one member of NatWest's staff was sitting quite close to the incident, but that doesn't mean they were aware of what was happening, and NatWest's staff have stated that they were unaware of the theft at the time. The CCTV footage shows this member of staff being distracted by one of the thieves who positioned themselves so that the member of staff had to turn away from the place where the cash was stolen.

The investigating police officer is also critical of the bank's staff. He said CCTV shows the offenders are given free reign of the main floor of the branch without being challenged by staff - in particular a member of staff behind a nearby desk. And he goes on to describe the theft and subsequent successful prosecution of one of the thieves.

I think the three thieves involved carried out quite a sophisticated theft. The CCTV footage shows NatWest's front of house member of staff very close to what happened and appearing to be observing. I think the member of staff should have intervened or at least got up and offered assistance to Mr C or made their presence felt when one of the thieves speaking in a foreign language was appealing to Mr C for help. It shouldn't have been Mr C's responsibility to obtain a translation of what this person was saying, but (to his detriment) he offered assistance as far as he could and his money was stolen when he was distracted for this purpose.

To be clear, I haven't seen anything to suggest NatWest's staff were complicit in the theft or aware it was happening, though possibly they should have been alert to what was going on with the thieves, particularly as they don't appear to have had any legitimate purpose at the bank. I understand the criticisms of NatWest's staff and I hope NatWest sees this complaint as an opportunity to enhance staff training and awareness of in-branch crime. I am pleased the police have confirmed prosecution and imprisonment of one of the thieves.

By way of conclusion, because I haven't seen any evidence to indicate that NatWest did anything to help or contribute to the thieves' targeting of Mr C, it wouldn't be reasonable to expect NatWest to cover his loss. I think the theft could have happened even if the cash was handled without any of the branch issues that Mr C has raised, and I'm not persuaded Mr C wouldn't have been distracted by the opportunist thieves in any event. The safety and security of Mr C's money was his responsibility, and it was up to him to take the necessary precautions to protect it. I don't think a fair or reasonable remedy would be for NatWest to reimburse Mr C for his stolen funds.

Mr C has pointed out that the compensation he received from NatWest was for very poor customer service from NatWest's complaints team, and for the poor handling of his complaint. He said no compensation was awarded at all due to any customer service errors associated with the theft that took place. I agree with this, and it follows from my findings that I haven't found any reason to require payment of further compensation and I think that what has already been paid is fair and reasonable in the circumstances.

What happened to Mr C was traumatic and costly and I realise this decision does not provide the outcome that he was hoping for, but I hope he will understand, given all that I've explained, why I've made the decision that NatWest isn't liable for the loss of the funds. This now brings to an end what we can do to help in this dispute.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 February 2025.

Andrew Fraser
Ombudsman