

The complaint

Mr S complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) hasn't refunded him for transactions he says he didn't authorise. He also complains about issues concerning the administration of his account.

What happened

In September 2024, Mr S contacted NatWest to dispute transactions on his account that he said were fraudulent, and which had incurred interest because the account was in overdraft. NatWest acknowledged that the account was accruing interest, but it didn't accept the transactions were fraudulent.

Mr S wasn't satisfied and so he complained to this service. He explained that his debit card was stolen on 12 December 2022 and NatWest assured him the card would be cancelled, but 22 transactions were processed which he didn't authorise, and the resulting interest charges on the overdraft amounted to £395.79. He also said that multiple direct debits had been set up without his knowledge or consent.

Mr S was also unhappy about a conversation he had with NatWest on 24 September 2024 when it told him his online banking had been compromised. He explained that he said he didn't want a replacement debit card to be delivered to his home address and that he would instead apply for a new card in person and collect it from the branch. A couple of hours later, he says he attended the branch where he signed for a new card and re-registered his online banking, reiterating that the new card shouldn't be sent to his home address. He says a new card was sent to his home address and was never received.

Mr S also complained to NatWest about the 'Risk Toolkit' having access to his account and details including transactions history and private information, despite his attempts to cancel it. He said he wasn't satisfied with NatWest's explanation about the data agreements it has with the Risk Toolkit, arguing that it shouldn't have unrestricted access to his account without his consent.

Finally, Mr S said he wanted between £10,000 and £15,000 compensation for the time he's spent dealing with this complaint, including time spent collating evidence, and on phone calls with NatWest and various merchants. He said the experience of speaking to different agents was exhausting, some of whom were rude and aggressive, and that he was unable to work due to the time and stress caused by NatWest's delays. He also had to rely on loans and borrow money from friends.

Responding to the complaint, NatWest said it was unable to show that transactions totalling £476.80 were authorised and offered to refund them. It said that two of the disputed transactions were credits into Mr S's account, and some were refunded by the merchant. It also explained that the payments to merchants I'll refer to as "N" and "A" were recurring transactions, and he would need to speak to the merchants.

NatWest further explained that Mr S ordered a new card on 24 September 2024 after its Fraud Team had concerns due to the activity on the account. It said it was unable to

ascertain how the fraud had taken place or how the compromise had occurred, but it would cancel the card and send a new one to his home address within 3-5 working days. It said the call recording showed Mr S didn't ask for the new card to be sent to the branch and that he was clearly told the card would be sent to his address. He was also told he'd be sent an email with instructions on how to re-register for online banking. It accepted he attended the branch on 24 September 2024 because he made a withdrawal, but as the card had already been ordered, he wouldn't have needed to sign any documents. And if a request was made for the card to be sent to the branch, the branch staff would have needed to complete a 'debit card pull request form' and add a note to its system confirming the form was completed, which didn't happen.

Finally, it said Mr S authorised the Risk Toolkit to access his account on 8 November 2022, 19 July 2023, 20 September 2023 and 13 March 2024. Access was cancelled on 20 March 2024 and requests were made for his details not to be shared. On 10 September 2024, the Risk Toolkit was granted access to Mr S's account information and cancelled again on 15 September 2024. It produced open banking documents showing the date and time Mr S authorised it to access his account, and the online and mobile banking audit showed when he logged into his online banking.

Our investigator felt the complaint should be upheld in part. He explained that there was no evidence that Mr S tried to cancel his debit card in December 2022, and the only cancellation request for that card took place on 21 March 2024.

He explained that eight of the disputed payments were online payments and because NatWest hadn't shown the payments were authorised, it should refund £420.45. However, two of the transactions were credits, and three had been refunded by the merchant. The transactions to "A" and "N" were recurring payments which were set up before 12 December 2022, so NatWest wasn't at fault for processing them.

Our investigator said that any interest charges resulting from the account being overdrawn due to the unauthorised transactions – which he agreed amounted to £190.25 - must be refunded. NatWest should also pay Mr S £200 compensation for the distress and inconvenience Mr S had suffered because of what had happened.

Regarding the arrangements for a replacement debit card, our investigator listened to the call dated 24 September 2024, when Mr S was advised that his card would be cancelled, and a new one would be posted out to him. The advisor said he'd arrange for a new card to be issued and confirmed his address, and Mr S didn't ask for the card not to be delivered to his home address. He accepted Mr S visited the branch because he made a cash withdrawal, but he said there was no evidence that a new card was signed for while he was there.

Finally, our investigator was satisfied that Mr S granted the Risk Toolkit access his account on 8 November 2022, 19 July 2023, 20 September 2023, and 13 March 2024. Access was cancelled on 20 March 2024, and granted again on 10 September 2023. So, he was satisfied the access was authorised.

NatWest has accepted our investigator's recommendations, but Mr S has asked for the complaint to be reviewed by an Ombudsman. He wants £10,000 to £15,000 compensation for psychological distress, physical and financial harm, and breach of procedural fairness. He has argued that our investigator hasn't provided clear reasoning as to why his request for compensation has been rejected.

Mr S has also raised arguments around issues that didn't form part of his original complaint, and which NatWest hasn't had an opportunity to comment on, and so they won't be considered as part of this complaint.

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 conclusion as our investigator, and for largely the same reasons.

Disputed transactions

Mr S has complained about several transactions which he says he didn't authorise. NatWest has agreed to refund eight online payments totalling £420.25, plus £190.25 which had accrued on the account due to the payments. I'm satisfied that's fair.

Two of the disputed payments were credits into Mr S's account and three of them were refunded by the merchant, so NatWest don't need to refund them.

In addition, Mr S has disputed payments to "N" and "A", but NatWest has explained that these payments were recurring payments which were set up before the card was stolen, and as the cancellation of the card wouldn't have affected the recurring payments, I'm satisfied they were authorised.

Replacement debit card

Mr S has said that during a call with NatWest on 24 September 2024, he specified that he didn't want a replacement card sent to his home address, but this was ignored, and the card never arrived. I accept he attended the branch on 24 September 2024, but it's clear from the call that arrangements were made for the card to be sent to his home address, and there's no evidence that he ordered a new card while he was in the branch. So, I'm satisfied, on balance, that it's most likely that Mr S was told that a replacement card would be sent to his home address and that is what happened.

Risk Toolkit

I haven't seen anything to suggest that there has been unauthorised access to Mr S's account by Risk Toolkit, or that this would result in any loss or unfairness to the extent that Mr S would be entitled to any compensation.

Compensation

Mr S has explained that he has suffered emotional distress and physical and financial harm resulting from repeated delays and data breaches by NatWest, but I'm satisfied that £200 is fair and reasonable compensation in the circumstances of this complaint.

Mr S believes he is entitled to significantly more compensation, but our awards are generally modest and while I don't dispute that he has experienced distress and inconvenience over the years, I don't think the impact of the unauthorised transactions and associated interest charges is enough to justify more than £200 compensation.

My final decision

For the reasons I've outlined above, my final decision is that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY should:

- refund £420.45 for the unauthorised transactions.
- refund £190.25 interest charges resulting from the unauthorised transactions.
- pay £200 compensation.
- pay 8% simple interest*, per year, from the respective dates of loss to the date of settlement.

*If NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY deducts tax in relation to the interest element of this award it should provide Mr S with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 July 2025.

Carolyn Bonnell
Ombudsman