

The complaint

Mr W and Mrs W complain that National Westminster Bank Public Limited Company has an illogical way of dealing with faster payments and this caused an overdraft on their account.

What happened

Mr W and Mrs W transferred £10,000 on 17 March 2025 from their bank account held in Northern Ireland to their account at NatWest by faster payment. The funds showed as available and they then transferred £10,000 to a third party on the same day. They are unhappy that an unauthorised overdraft was later shown on that day on their NatWest statement as the faster payment credit was dated 18 March 2025. And they were charged interest.

NatWest refunded the interest charged of £2.08 and paid Mr W and Mrs W compensation of £100. It said that there would be no impact on their credit record. It said that 17 March 2025 was a Bank Holiday in Northern Ireland but not in England. The credit in was as a result processed the next day. But the payment out was processed on 17 March 2025. This resulted in an overdraft. And it said that *“available funds can be subject to change and doesn’t show the same information on your Bank statement.”* It said that *“there is a difference in processing payments between Ireland and England where Bank Holidays are not shared.”* And it had asked its incident team to see if this can be avoided in future.

Our investigator didn’t recommend that NatWest do more than it had done.

Mr W and Mrs W didn’t agree and wanted their complaint to be reviewed by an ombudsman. They said that this process should be changed and that a vague promise from the incident team is insufficient. They gave an example of pending payments showing on their credit card account. And said that if the faster payment credit was a pending one it should have been shown in that way.

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 need to emphasise that this service isn’t the regulator and we don’t have a role in reviewing and setting business processes generally. We provide informal dispute resolution and what I say here relates only to this complaint.

I note that the terms and conditions for their account in respect of faster payments include the following:

“If you tell us to make a payment (i.e. send money) in the UK, in most cases the payment will be made using the Faster Payments Service and the money will be added to the payee’s account immediately.” I also note from the website that it further states *“If you are making a*

payment after 6.30pm, on a weekend, or a Bank Holiday, the payment will normally leave your account immediately and be available in the recipient account within a few hours. The date displayed when making the payment and on your statement will be the next working day."

These principles can reasonably be taken for the purpose of this complaint to apply to faster payments generally. The issue was that the payment in showed on their statement on 18 March 2025 – but the payment out from NatWest showed as made on 17 March 2025. But in my assessment the money was technically available at NatWest on 17 March 2025 as indicated to them and not least because they could make the payment out based on this being available. And had that date been a common Bank Holiday the issue wouldn't it seem have arisen. And even had this not been the result of a mistake as NatWest seeks to argue I find it reasonable for Mr W and Mrs W to rely on information in these circumstances showing a faster payment as being available. And finally, I consider it's reasonable for them not to be clear from the account terms that this issue in any event could arise.

In light of my assessment, I need to say that had NatWest not upheld their complaint then I'd have done so and awarded the same compensation as I think that's fair here. I've explained why I'm not going to be in a position to require NatWest to change its processes generally. And I won't be looking at what might happen in future - only what did here. So, I know Mr W and Mrs W are going to be disappointed when I say I won't be requiring NatWest to do anything more.

My final decision

My decision is that I do not uphold this complaint in the sense that National Westminster Bank Public Limited Company need take no more action than it has already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 3 September 2025.

Michael Crewe
Ombudsman