

The complaint

Mr C complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY made a payment to his property's management company and added them to the balance of the mortgage.

What happened

In 2006, Mr C took out a mortgage with NatWest. He later added his now ex-partner to the mortgage.

In November 2024, NatWest paid over £12,000 to solicitors acting for the freeholder of Mr C's home and added that amount to the balance of the mortgage. It said they were for ground rent and/or service charge arrears and that Mr C's ex-partner had authorised the payment.

Mr C complains that NatWest has not treated him fairly. He said that he was in dispute with the freeholder and that NatWest should not have accepted his ex-partner's consent for the payment.

I issued a provisional decision proposing to uphold the complaint in part. My provisional findings, which form part of this decision, were:

I don't consider NatWest has shown that it acted fairly when it made the payment to the freeholder in November 2024. There are a number of reasons for that.

NatWest's security could be at risk if the ground rent and/or service charges were not paid. But the evidence provided by NatWest does not support that NatWest had sufficient grounds to believe that was the case here. I say that because it does not appear that NatWest knew if the payment being claimed by the freeholder was in respect of ground rent, service charges or both. And I have not seen any evidence that a court or tribunal had made any determination regarding the amount being claimed by the freeholder – in fact the content of the letter from the freeholder suggest that no court action had taken place.

While NatWest's security could be at risk at some point – and it might have been in the past – the evidence I have does not support that it had enough information to decide it was when it made the November 2024 payment.

Further, NatWest was aware that Mr C was in dispute with the joint account holder. In those circumstances I don't consider it was reasonable for NatWest to make the payment with solely the joint account holder's consent.

I've found that NatWest has not treated Mr C fairly. But while NatWest should not have made the payment when it did, it seems likely that it would have ended up paying it eventually bearing in mind Mr C would have continued to dispute it. So I do not consider I could fairly require it to refund that amount to Mr C – unless he can provide evidence that the amount paid was not due, such as a decision from the Leasehold Valuation Tribunal.

Mr C has been caused some unnecessary distress and inconvenience by what happened. He's had the worry that his ex-partner can authorise payments on the mortgage without his consent and his dispute with the freeholder will be prejudiced by NatWest's actions. Although, as I said above, it seems likely that NatWest would have ended up paying at some point. Overall, I consider NatWest should pay Mr C £200 to reflect any distress and inconvenience caused by paying the disputed amount prematurely and without his consent.

NatWest accepted my provisional findings. Mr C did not. He responded to say that by paying the disputed amount it had caused him wasted time in dealing with the service management company and landlord. He said he'd spent "tens of hours" doing so. He thought £200 was not enough to reflect what he'd been through. And he wanted an assurance this would not happen again.

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 see no reason to reach a different decision than I did in my provisional decision. I should clarify I did not find that NatWest could not make the disputed payment – it was entitled to do so to protect its security. Rather I found that it did so prematurely and on the basis that one party had consented, when it knew there was a dispute between the parties. But it seemed likely that NatWest would eventually have made the payment in any event because Mr C continued to dispute what was due.

The compensation is intended to compensate Mr C for any additional stress and inconvenience caused by the disputed amount being paid earlier than it should have been. It is likely that in view of the nature of his dispute he would always have had to deal with the management company and landlord to some extent. I am not compensating him for that. But even if the additional time spent directly because of this matter was as Mr C estimates "tens of hours", then £200 is a fair amount that is consistent with our approach to this type of award.

I can only consider complaints about events that have happened. So I can't give Mr C any assurances this won't happen again. And as I've said NatWest is entitled to pay the disputed amounts if its security is at risk – but it should ensure it only does so when it understands exactly what the landlord is claiming and that there is a genuine threat to its security if the ground rent and/or service charges were not paid

My final decision

My final decision is that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY should pay Mr C £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 August 2025.

Ken Rose
Ombudsman