

The complaint

Miss J complains about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) making service errors when she discussed her credit card with them and giving her misinformation which caused her distress and inconvenience.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss J has two credit card accounts with NatWest. Her complaint is about misinformation errors NatWest made between late 2024 and early 2025 and she feels the amount of compensation that has been paid to her is inadequate for the distress caused.

In September 2024, Miss J discovered late payment interest had been applied to one of her accounts. She believed this happened because she was misinformed over the due date after making enquiries to ensure she paid on time to avoid getting into debt. As Miss J said she was caused distress upon seeing the interest charges and having to pay more than she thought, NatWest's agent apologised, refunded the interest of £49.15 and offered her £30 compensation. Miss J accepted the refund but sought greater compensation and raised a complaint.

Following the above event, Miss J made enquiries about interest charges to her credit card and, as she believed she'd been given further misinformation, she added this to her complaint.

In NatWest's complaint response they explained the interest was due to cash advances and, after completing an investigation, made the following comments:

- *'Having reviewed the webchat which you had with us, the agent did not take into consideration that a cash transaction had been completed, so interest would be applied for that statement period and will also affect your next two statement periods.'*
- *'I agree with your complaint, and I understand the inconvenience this has caused. On this occasion, we've clearly made an error.'*
- *'I'm really sorry for the poor service you received from us and can understand how this made you feel.'*
- *'Based on my findings, I agree that the information afforded on the webchat regarding interest applied to your credit card was incorrect.'*

NatWest offered Miss J a total of £350 compensation for her complaints about their service. In addition to removing the interest of £49.15 they agreed to waive interest for three months.

However, Miss J was dissatisfied with NatWest's compensation offer. She considers that a much higher figure is warranted, and she would like NatWest to write off her balance (this was £2,550.01 in April 2025). Miss J escalated her complaint to our service, but our investigator said:

- *'I can't tell a lender to write off a debt. We can instruct a business to pay'*

compensation, depending on the impact its mistakes had on a customer.

- *I'm sorry to read about the impact this has had on Miss J. I think the total compensation NatWest has offered is very reasonable and is enough to put things right, given the mistakes NatWest made'.*

Miss J remained dissatisfied and when she asked for an ombudsman to consider her complaint our investigator pointed her to our publicly available guidance on compensation amounts and said NatWest's offer was above what we'd expect it to pay for the circumstances of her complaint.

Upon reviewing our guidance Miss J considered she should be paid between £750 and £1,500 compensation and her reasoning included the following:

- *'The mistakes and contradictory advice I received from NatWest persisted over several months and led to significant and ongoing distress.*
- *This has adversely affected my mental health and has seriously disrupted both my daily life and my work. I have submitted evidence detailing the repeated errors as well as the emotional and practical consequences I have experienced.*
- *As a direct result of the ongoing distress and uncertainty caused by these issues, I have had to take time off work and have experienced reduced productivity while at work. Specifically:*
 - *I have taken approximately two full days off work due to panic attacks and overwhelming anxiety directly related to this situation.*
 - *Over the past three months, I have spent at least 12 hours during working hours on phone calls, emails, and collecting documentation for this complaint.*
 - *I have also experienced several days where my concentration and productivity were significantly reduced due to stress, amounting to approximately 10 hours of lost productive time.*
 - *In total, I estimate that this issue has affected at least 38 hours, or nearly five full working days of my work time.'*

I issued a provisional decision on 27 June 2025, and this is what I said:

I've considered the relevant information about this complaint.

My provisional decision is the same outcome as that reached by our investigator; however, as I've commented about insufficient evidence and included more information on the impact, I'd like to give both parties a further opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 11 July 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Miss J, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

What I've provisionally 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, my provisional decision is that I'm not upholding this complaint, and I'll explain why:

I should first say:

- I'm very sorry to hear about Miss J's worry, distress, disappointment and loss of confidence in NatWest. However, I must approach this matter objectively.*
- As NatWest accept they made mistakes here and Miss J's dissatisfaction is over the compensation amount they've offered, what's left for me to decide is a fair and reasonable amount for them to pay.*
- Assessing compensation for service errors and the subsequent distress and inconvenience isn't an exact science and our approach when making awards tends to be modest.*
- I've carefully considered all the points Miss J has made and I've focused on what I think are the important points to reach a final decision. Where evidence is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.*

I can understand Miss J being concerned, prior to speaking to an agent in September 2024, about not being able to afford interest payments and getting into debt. Also, being worried and frustrated due to confusing and / or poor communications (over the due date) and having to contact NatWest to try to put things right. However, I found that NatWest's agent explained that the due date was clearly displayed on her statement and, without checking for evidence of a service error, he was quick to apologise, refund interest and offer £30 compensation.

Although I can't see that NatWest subsequently checked for evidence of the service error here, based on their apology and customer service commitments, I think it more likely than not that an error occurred. However, when considering that NatWest do have clear communications on the subject (statements) and that Miss J's distress and inconvenience was over a short period and could've been avoided, I would only expect to see a compensate figure of around £30 which is what was first offered.

I recognise that then being subject to further misinformation over interest charges would've added to Miss J's distress, frustration, annoyance and loss of confidence especially as she had the inconvenience of having to raise another issue and then wait for a number of weeks for NatWest to investigate, clarify and remedy.

So, I consider this repeat of a service error to be more serious and, due to the resolution timeframe, I think this would fall into the following compensation category:

- 'An award between £100 and up to £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable amount of effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation'.*

I appreciate Miss J was anxious about what interest was being applied to her account and this led to her spending time liaising with NatWest over the interest charges she was querying. However, these weren't for high amounts, and although I'm satisfied it caused her distress and worry I'm not persuaded by her submissions that the distress was so significant.

Also, although NatWest's agents should've realised and communicated accurate information (about due dates and cash transactions) and provided a better service, when considering the seriousness of the errors and likely impact for a compensation amount, I have to bear in mind the low amounts involved and that it is reasonable for NatWest to think account holders should already be aware of this type of information from reading the terms and conditions and statements they provide.

Whilst I'm very sorry to hear that Miss J was unwell during the period of her complaint and had to have time off work due to anxiety and panic attacks, and that her work suffered, I haven't been provided with any medical evidence relating to this. Also, any evidence which demonstrates this illness was connected with NatWest's errors.

Also, regarding inconvenience, although I wouldn't expect a bank to compensate a customer for time communicating dissatisfaction or bringing a complaint to our service, I haven't been provided with information to evidence that Miss J's communications (telephone and emails) were excessive over this matter and have taken 12 to 38 hours of her time.

Although I both recognise and empathise with Miss J's upset and loss of confidence here, I'm not persuaded that the distress and inconvenience she has experienced here has been fully evidenced or that it was substantial enough to ask NatWest to pay any more than the £350 compensation they've offered. And I agree with our investigator that the compensation NatWest have paid is above what our service would expect.

So, considering all the above, I think NatWest's offer is fair and reasonable and my provisional decision is not to uphold this complaint.

My provisional decision

My provisional decision is not to uphold this complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

This is subject to any comments that either NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY or Miss J may wish to make.

These must be received by 11 July 2025.

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.

Further to my provisional decision, I received a response from Miss J but I didn't hear from NatWest.

Miss J disagreed with my provisional decision, and she feels the compensation amount doesn't reflect the full impact of NatWest's repeated failings. Miss J's reasons included the following:

- The problems began in September 2024 and continued into early 2025, involving multiple instances of misinformation, delays, and poor communication.
- She had to 'chase clarity, correct errors, and escalate concerns — all while facing

financial stress due to unexpected interest being applied to my account' which:

- *'Created an ongoing sense of anxiety and uncertainty'.*
- *Meant she 'was constantly second-guessing whether the information I'd been given was accurate, and whether I would be charged again through no fault of my own'.*
- *'This was far more than a simple customer service mistake' and:*
 - *Had 'a clear emotional and practical impact'.*
 - *She 'experienced sustained stress and anxiety, particularly after seeing unanticipated charges appear despite taking steps to avoid them by checking directly with the bank'.*
 - *Affected her concentration and day-to-day focus, including during working hours.*
 - *She 'estimate it consumed at least 38 hours of my time — across calls, emails, follow-ups, and the mental stress caused by not knowing where I stood financially'.*
- *'NatWest only admitted fault after I challenged them - in some cases, apologising without even investigating, and in others, providing clearly incorrect information which they later admitted was wrong'.*
- *Our 'published guidance suggests awards of £750 to £1,500 may be suitable where there are repeated service failures, long delays in resolution, and significant emotional or practical consequences.*

So, I carefully considered Miss J's points and looked at everything again. And I've focused on what I think are the important points to reach a final decision.

I recognise Miss J's complaint is about more than one error and empathise with the uncertainty, anxiety, frustration and loss of confidence over NatWest's communications. However, the amounts involved here are low and, as mentioned in my provisional decision, I think there was a reasonable expectation that an account holder should've been aware of information contained in statements and could've checked the account terms and conditions.

Regarding the late payment and interest charges, despite NatWest referring to this reasonable expectation, they quickly put things right and appear to have done so without investigating or disputing that they had made communication errors. I recognise the frustration in this, and other communication errors not being investigated, but I don't think it was unreasonable for NatWest to accept Miss J's word. And I think the compensation offers that NatWest made were fair and reasonable.

Regarding communications about cash interest charges, which were detailed in the terms and conditions of the account, NatWest investigated, accepted responsibility for 'poor service' and put things right. I recognise this would've caused a further loss of confidence and I'm persuaded that Miss J was caused further anxiety and inconvenience at having to contact NatWest. Also, that she found it necessary to chase, correct and escalate.

Despite my provisional decision comments, I can't see any evidence that NatWest's poor service consumed *'at least 38 hours'* of Miss J's time or caused her to become ill and distracted at work. As mentioned above, I wouldn't expect a bank to compensate a customer for time communicating dissatisfaction or bringing a complaint to our service

Whilst I recognise and empathise with the anxiety that the service errors caused, when considering the submissions, the amounts involved and NatWest's information and resolutions, I'm not persuaded that the impact here is so significant or that it would be fair to ask NatWest to pay any more than the £350 compensation they have offered.

I'm sorry to disappoint Miss J but having considering all the above, my final decision is that I consider NatWest's offer to be both fair and reasonable and I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint against NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 20 August 2025.

Paul Douglas
Ombudsman