DRN-5777341

The complaint

Ms T has complained about what happened when she needed NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to complete a form for the Department for Work and Pensions (DWP) so she could claim Support for Mortgage Interest (SMI).

What happened

Ms T complained to NatWest in May 2024. NatWest issued a final response letter on 6 July 2024 in which it upheld the complaint. It apologised for the errors in dealing with the first MI12 form and paid £150 compensation. It said it had completed the replacement form and had sent it to the DWP on 18 June 2024 by recorded delivery. The letter explained that Ms T had six months from the date of that letter to bring her complaint to us. If she didn't do so, and there were no exceptional circumstances, NatWest said that it wouldn't consent to us looking at the complaint. I will refer to this as "the May complaint".

The DWP signed for that form but then unfortunately lost it, so a further form needed to be completed.

Ms T raised a further complaint in November 2024. NatWest issued its final response letter on 19 January 2025. In that it explained it had previously responded to the earlier complaint, and it had made an error in the replacement form it sent to the DWP in October 2024 in that incorrect payment details were provided. It awarded a further £150 compensation and said that it would consider reimbursing any costs Ms T had incurred due to the error if she provided evidence of those. Again, the letter explained that Ms T had six months from the date of that letter to bring her complaint to us. If she didn't do so, and there were no exceptional circumstances, NatWest said that it wouldn't consent to us looking at the complaint. I will refer to this as "the November complaint".

Ms T referred her complaints to the Financial Ombudsman Service on 13 January 2025.

Our Investigator said that we couldn't consider the May complaint as Ms T hadn't referred that to us within the six months allowed under our rules. He said that as Ms T was in contact with NatWest, she could have referred the complaint to us. In respect of the November complaint, our Investigator thought NatWest should pay an additional £250 to put things right.

NatWest accepted our Investigator's assessment. Ms T didn't agree and so the case was passed to me to decide.

Earlier this month I issued a decision about our jurisdiction in which I said:

> "We can't consider the May complaint as that wasn't referred to us in time. That means I won't be commenting on the mistake NatWest made that was dealt with in that, the redress it offered for that, or the ongoing impact Ms T has said it has had. Nor can I consider it as part of the wider picture of what happened.
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> We can consider the November complaint as that was referred to us in time and I will issue my decision on that shortly."

I'm now issuing this decision about the November complaint as the final stage of our process.

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 recognise that Ms T feels very strongly about this, and I thank her for the frankness and detail of her submissions. She's clearly been through some very difficult times. I won't detail everything that she's told us here to protect her privacy, however I can assure Ms T that I've read and understood everything and taken it all into account.

I trust Ms T won't take it as a discourtesy that I've condensed this complaint in the way that I have. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

I'm satisfied that NatWest sent the form to the DWP in June 2024 as that was signed for by the DWP upon receipt. I'm also satisfied, based on what both sides have told us, that the DWP lost that form. As the form was received by the DWP I can't hold NatWest liable for it then being lost, irrespective of what address it was sent to, as it was clearly received by the DWP. For that reason I won't be making any comments or findings on whether or not NatWest sent the form to the correct address as the form was received. Had the DWP not lost the form then I'm satisfied the SMI payment would have been made in or around July 2024.

On 6 September Ms T notified NatWest that the DWP had lost the June form and she asked if NatWest had kept a copy. She was told on 11 September that copies weren't kept, and she said she would get a new form sent to NatWest.

A replacement form was provided to NatWest at the start of October and it completed and it sent the completed form to the DWP on 9 October. Unfortunately NatWest had made an error on the form as the account payment details it had provided were incorrect. This mistake was discovered when the DWP tried to make a payment with Ms T being notified of the error on 19 November.

NatWest received a replacement form to be completed in December. NatWest completed the form and sent it to the DWP on 16 December 2024. That form was received and the backdated payment was made by the DWP to the NatWest mortgage on 24 January 2025. NatWest then refunded the backdated amount to Ms T on 17 February 2025.

It's not in dispute that NatWest made a mistake on the form it sent to the DWP on 9 October. That mistake caused a ten-week delay (9 October until 16 December). Whilst I acknowledge the total delay was more than eight months, for the reasons I explained in my decision about our jurisdiction I can't consider a complaint about what happened before the replacement form was sent to the DWP in June 2024, and as I've set out above I can't hold NatWest liable for the DWP losing the form in June/July 2024. For that reason, I can only consider the impact of the ten-week delay when considering this complaint.

The DWP backdated the claim so Ms T received the same amount that she would have done had NatWest not completed the form incorrectly in October 2024, so there is no financial loss on that aspect. Ms T said she incurred interest charges due to spending on her credit cards whilst she waited for the SMI claim to be paid. I note both NatWest and our Investigator gave Ms T the opportunity to provide evidence of that loss, with NatWest saying it would be happy to reimburse any costs Ms T faced upon receipt of the evidence. I understand the evidence hasn't been provided so I can't make any order or award in that respect.

That just leaves me to consider what NatWest needs to pay in compensation for the distress and inconvenience caused to Ms T by that ten-week delay. In its response to the complaint NatWest offered £150. Our Investigator thought that should be increased by £250, to take it to a compensation payment of £400. NatWest accepted that, but Ms T felt the compensation sum should be higher. She said she suffered a great deal over ten months and her mental health had been seriously impacted.

For the reasons I've explained, I can only consider the impact on Ms T of the ten-week delay between 9 October and 16 December. Ms T was going through what was already a difficult time, and she'd expressed to NatWest that she needed help. I've taken into account all the circumstances when making my decision; here, that includes how Ms T has described the impact of what happened on her, but also how NatWest responded to the issue and complaint.

I must also bear in mind the general levels of awards the Financial Ombudsman Service makes for non-financial loss. There are some case studies about this on our website[1] which Ms T may find helpful.

We've no power to fine or punish businesses, and our awards aren't punitive. Clearly no amount of compensation can change what happened. Our Investigator felt compensation of £400 was due, that puts the award in our band "An award … of up to £750" which our website explains as:

> "An award of over £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months, but it could also be fair to award in this range if a mistake has a serious short-term impact."

That describes this situation well. Whilst the delay caused was ten weeks, Ms T was only aware of the issue for around four weeks of that, and NatWest put things right quickly once it received the replacement form to complete. For that reason I'm satisfied our Investigator's recommendation of £400 compensation is fair and reasonable.

I appreciate this decision is likely to be disappointing for Ms T as she clearly feels strongly about this matter, and I've seen what she's said about the impact this had on her. But I hope she'll understand the reasons for my decision.

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[1] https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience

My final decision

I uphold this complaint and order NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to pay £400 compensation, less any amounts already paid in respect of the issue dealt with in the final response letter dated 19 January 2025.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms T to accept or reject my decision before 23 September 2025.

Julia Meadows
Ombudsman