

The complaint

Mr U complains as a director of T, a company, that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY in error paid duplicate credits into T's account and then removed them without notice causing the account to go overdrawn.

What happened

On 30 June 2025, in respect of two credits paid into T's account, NatWest in error paid those credits in twice, meaning that T's account received more than £900 into it than it should have. NatWest sent a text to T and other customers affected on that day advising of the duplicate credits and that it was working to fix the issue. I understand that the issue was fixed by the end of that day and the duplicate credits were taken back.

Mr U says that no text was received from NatWest on the day. And that, before they were taken back, the funds had already been used in good faith. This meant that T's account went overdrawn. He said this caused significant distress and inconvenience and wasted time in resolving the matter. NatWest paid £50 compensation which he considers to be grossly inadequate considering the stress, disruption and clear regulation breaches involved.

NatWest said it was sorry that this happened but that it took appropriate action to resolve the error.

On referral to the Financial Ombudsman Service our Investigator said that NatWest had taken appropriate action to correct its error and had paid fair compensation.

Mr U disagreed, and the matter has been passed to me for an Ombudsman review

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.

In making this decision I have taken all relevant laws and regulations into account. In keeping with the informal nature of this Service, I don't consider it necessary to go through any regulations that may apply individually.

If a bank overpays in error into its customer's account our approach is that it's entitled to recall that payment. We can take into account that it has made the error, but appropriate compensation would be for the effect this error might have had. We wouldn't expect NatWest to allow the customer to retain the excess credits.

I think that when NatWest became aware of its error, it sent out texts to all the customers concerned as soon as it could. Whilst Mr U denies receiving any such text on 30 June, I have seen the text which was sent to him with its date and timestamp. I've also seen evidence that Mr U was active on the mobile app at that time and date.

When it made the error, our approach is that we would expect NatWest to remedy this as soon as possible. Here it notified its customers of its error by 10:20 AM on the day and took

back the duplicate credits on the same day. So, I think that it acted appropriately in this respect.

In T's case that meant that its bank account had been credited with £900 more than it was entitled to. For a business bank account, especially one which was as active as this I would have expected, regardless of when the text was sent, that Mr U would have been aware of which credits were expected and received into the account. Having regard to previous monthly statements, I think that the extra credits in this case should have been recognised as unexpected. I've noted that £1,800 was immediately transferred to another account which I believe was a personal one.

So I don't think that when Mr U contacted NatWest he should have been surprised that the credits had been taken back. And though he would have been inconvenienced in having to take steps to put the account back into credit, I've noted that NatWest has confirmed that it didn't affect T's credit record.

The account was overdrawn from 30 June to 7 July. I've noted that Mr U was in contact with NatWest on the online chat on 2 July so should have been in a position to pay back the overdraft then. I haven't seen evidence that this temporary overdraft caused any harm to the company's reputation.

As regards compensation, I have to bear in mind that the complainant is the company, and Mr U makes the complaint as its representative. So I can't award compensation for any personal distress caused to Mr U. For having to contact the bank on T's behalf and remedy the overdraft on the account, I do think that £50 was a fair and reasonable compensation sum.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 16 October 2025.

Ray Lawley
Ombudsman