

The complaint

Mr E complains that National Westminster Bank Public Limited Company (“NatWest”) treated him unfairly when it refused to accept a £8,000 net contribution to his pension plan on 28 March 2024 in the 2023/24 tax year. He says this led to him missing out on carrying forward and utilising unused tax relief from the 2020/21 tax year, which is now permanently lost and caused him to suffer a financial loss.

What happened

I issued my provisional decision on this complaint on 24 November 2025, in which I set out the background and my provisional findings. I’ve repeated what I said here:

“Mr E had a workplace pension plan provided by Scottish Widows, into which regular monthly contributions were being paid. Additionally, Mr E made several one-off contributions to the same pension plan.

In February 2024, Mr E contacted NatWest to discuss starting a new pension plan. He wanted to pay contributions to the new plan before the end of the financial year on 5 April for 2023/24 so that he could carry forward and utilise unused tax relief from the 2020/21 tax year. Mr E exchanged several emails with NatWest to obtain more information about its pension plan, provided and operated by a third party, Embark Pensions. The outcome of that contact led to Mr E opening a new NatWest pension plan in March 2024. Since it was approaching the end of the financial year, NatWest told Mr E that contributions must be paid no later than 28 March 2024 to ensure they were received by 5 April for 2023/24.

On 15 March 2024, Mr E started making single contributions to his NatWest pension plan through an online app. He successfully paid the following contributions to the plan in March 2024:

<i>Date payment made to NatWest pension plan</i>	<i>Net contribution paid by Mr E</i>	<i>Gross contribution once basic rate tax relief added</i>
<i>15 March 2024</i>	<i>£800</i>	<i>£1,000</i>
<i>19 March 2024</i>	<i>£800</i>	<i>£1,000</i>
<i>21 March 2024</i>	<i>£8,000</i>	<i>£10,000</i>
<i>26 March 2024</i>	<i>£8,000</i>	<i>£10,000</i>
<i>27 March 2024</i>	<i>£8,000</i>	<i>£10,000</i>
<i>Total</i>	<i>£25,600</i>	<i>£32,000</i>

When Mr E paid those contributions through the online app, a message was presented to him that stated they would be credited to his pension plan within two working days. After paying £8,000 on 21 March 2024, Mr E noticed the contribution hadn’t appeared in his pension plan by 23 March 2024 and believed the money was missing until it was credited on 25 March 2024. He raised this concern with NatWest, which explained that, despite the app message, contributions can take up to five working days to process. NatWest accepted that the app message presented to Mr E was misleading and apologised for the concern caused.

On 28 March 2024, the deadline stated by NatWest to ensure contributions were received by

5 April, Mr E tried to pay a further £8,000 net contribution. The app wouldn't allow the transaction. Mr E phoned NatWest to express his dissatisfaction. He was told that, due to system limitations, further contributions couldn't be accepted until the previous contributions paid on 26 and 27 March 2024 had been fully processed and credited to his pension plan.

Also on 28 March 2024, Mr E paid two separate contributions of £2,300 net and £8,000 net to his Scottish Widows pension plan.

After 6 April 2024, Mr E tried to confirm with NatWest whether it would accept a £8,000 net contribution to his NatWest pension plan and have it backdated as if paid in the 2023/24 tax year. NatWest checked with Embark Pensions and confirmed this wasn't permitted. Mr E was dissatisfied with this and other related issues, so he submitted a complaint to NatWest. In his complaint, he raised concerns about several instances where he believed NatWest had made errors or treated him unfairly, including:

- not responding to some of his emails;
- displaying misleading information in the app about how quickly contributions would be credited to his pension plan;
- failing to provide clearer information about how contributions were processed and the timelines involved, including the fact that there was a limit on how many contributions could be processed at the same time;
- providing incorrect information about whether he could invest in more than one of the five ready-made investment funds available under his pension plan; and
- refusing to accept the £8,000 net contribution he attempted to pay on 28 March 2024 in the 2023/24 tax year – he said this led to him missing out on carrying forward and utilising unused tax relief from the 2020/21 tax year, which is now permanently lost and caused him to suffer a financial loss.

NatWest's position

There was a delay before NatWest issued its final response to Mr E's complaint. In that response, NatWest acknowledged that its service had fallen short, apologised and upheld most of the issues raised. It also apologised for the delay in replying to his complaint. For the upheld points, NatWest paid Mr E £300 compensation for the trouble and upset caused and an additional £150 for the delay in providing its final response.

However, NatWest didn't uphold the part of Mr E's complaint about it unfairly refusing to accept the £8,000 net contribution he attempted to pay on 28 March 2024. It explained that it hadn't refused to accept the contribution. Rather, it was unable to accept it until such time as the previous contributions paid on 26 and 27 March 2024 had been fully processed. NatWest said this was made clear to Mr E during a phone call on 28 March 2024, giving him time to take mitigating action by contributing to an alternative pension plan. NatWest stated that Mr E did exactly that, by paying a £8,000 net contribution to his Scottish Widows pension plan on the same day which was received in the 2023/24 tax year – meaning he could carry forward and utilise unused tax relief from the 2020/21 tax year, as he had intended. NatWest concluded that Mr E hadn't permanently lost tax relief in the way he had described or suffered any financial loss in connection with this.

Investigator's view

Mr E referred the matter to the Financial Ombudsman Service. Our investigator considered the £450 compensation NatWest previously paid to Mr E for issues unrelated to the loss of tax relief was fair and reasonable. Therefore, he didn't recommend increasing that amount.

However, the investigator found that Mr E had suffered a financial loss when he tried to make the £8,000 net contribution on 28 March 2024 to his NatWest pension plan which wasn't accepted by the online app. He thought NatWest was at fault for not informing Mr E earlier about its terms and conditions relating to contribution limits which prevented him from making an informed decision. As a result, Mr E was unable to pay the contribution in the 2023/24 tax year, carry forward and utilise unused tax relief from the 2020/21 tax year, as he had intended.

To put things right, the investigator recommended that NatWest pay compensation to Mr E's pension plan, considering any Annual Allowance tax charge, on the basis the £8,000 net contribution was successfully made on 28 March 2024 and therefore in the 2023/24 tax year so that Mr E could carry forward and utilise unused tax relief.

Follow-up and escalation

Mr E accepted the investigator's view, although he had some questions about how the recommended compensation would be applied to his NatWest pension plan and reported to HMRC. NatWest initially agreed with the investigator's view and asked Mr E for further information so that it could calculate the compensation payment.

However, after reviewing Mr E's file again, NatWest changed its position. It repeated its earlier argument from its final response letter that Mr E had mitigated his loss by making a £8,000 net contribution to his Scottish Widows pension plan on 28 March 2024 for 2023/24. This meant he could still carry forward and use unused tax relief from the 2020/21 tax year, as he had intended when he attempted to make the failed contribution to his NatWest pension plan on 28 March 2024. NatWest also noted that Mr E had admitted on the Financial Ombudsman Service complaint form that he had mitigated his financial loss in this way. Therefore, NatWest didn't agree that Mr E permanently lost tax relief or suffered any financial loss in the way he had described.

Since the investigator wasn't persuaded to change his view, the complaint was referred to me for review. I asked Mr E for more information and his comments on NatWest's position that he hadn't suffered a financial loss related to the loss of tax relief. Mr E has now provided his comments and additional evidence for me to consider.

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.

In reaching my decision, I've taken into account relevant law and regulations, regulator's rules, guidance and standards and codes of practice, and what I consider to have been good industry practice at the time.

Where the evidence is unclear, or there are conflicts, I've made my decision based on the balance of probabilities. In other words, I've looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened. The purpose of this decision isn't to repeat or address every single point raised by the parties to this complaint. So, if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Scope of this decision

Mr E complained about several errors and instances of unfair treatment by NatWest. In response, NatWest accepted that its service provided to Mr E had fallen short, apologised and upheld most of the issues raised. For these upheld points, it paid Mr E £450 compensation for the inconvenience and distress it had caused and for the delay in issuing its final response. Our investigator considered this a fair and reasonable outcome and so didn't recommend increasing the compensation in respect of these elements of Mr E's complaint. After reviewing the evidence, I agree with the investigator's assessment on this.

The scope of this decision is solely to decide whether NatWest made an error in connection with the £8,000 net contribution Mr E attempted and failed to pay to his NatWest pension plan on 28 March 2024 and, if so, what financial loss he has suffered as a result. It's on this element of Mr E's complaint that I have a different view to the investigator.

My findings

NatWest has already accepted that when Mr E started his pension plan, it should have provided clearer information about how contributions were processed and the timelines involved, including the fact that there was a limit on how many contributions could be processed at the same time. I've carefully thought about whether this failing led to Mr E suffering a financial loss in terms of lost tax relief.

The evidence shows the following key events on 28 March 2024:

- 07:38 am – Mr E paid a £2,300 net contribution to his Scottish Widows pension plan.*
- 12:18 pm – Mr E called NatWest after attempting and being unable to pay a £8,000 net contribution through the online app earlier on that day. NatWest confirmed it couldn't accept further contributions until previous contributions paid by Mr E on 26 and 27 March had been fully processed and this was the reason why the online app wouldn't accept his further contribution.*
- 15:30 pm – Mr E paid a £8,000 net contribution to his Scottish Widows pension plan.*

So, after being told over the phone by NatWest that it couldn't accept his attempted £8,000 net contribution, Mr E paid the same amount into his Scottish Widows pension plan later that day. The contribution was credited to his Scottish Widows pension plan in the 2023/24 tax year which is a key point.

Mr E confirmed in his complaint form that he took mitigating action and successfully paid the £8,000 contribution he wanted to make on 28 March 2024, albeit to his Scottish Widows pension plan. He stated on the complaint form, "I did mitigate the loss in other ways but was not able to prevent the loss from happening without making an investment into another pension scheme that I did not want to invest in."

Therefore, based on the above, I don't agree with Mr E's view that he permanently lost tax relief because NatWest didn't accept his £8,000 net contribution on 28 March 2024. Mr E's admission on the complaint form combined with the timing and amount of the £8,000 contribution paid to the Scottish Widows pension plan confirm he made that contribution as a direct response to NatWest confirming it couldn't accept it to its pension plan. The evidence confirms that Mr E achieved his tax relief objective of successfully paying all the contributions he intended to make during the 2023/24 tax year. While I acknowledge Mr E's frustration at not being able to pay the contribution to his NatWest pension plan, the fact remains that he successfully paid the contribution to his Scottish Widows pension in the

2023/24 tax year, meaning he can carry forward and utilise unused tax relief from 2020/21, as he had intended. So, I don't agree Mr E has suffered the loss of tax relief as he's described.

Conclusion

There's no dispute that NatWest made some errors for which it has already paid Mr E total compensation of £450. As noted above, I think this is a fair amount and so am not minded to direct NatWest to increase its compensation payment on those elements of his complaint.

However, I'm not persuaded to direct NatWest to pay additional compensation to Mr E for lost tax relief that was ultimately used, albeit through a different pension plan. To do so would place Mr E into a beneficial position he's not entitled to be in. The evidence doesn't support the case that Mr E suffered a permanent loss of tax relief because of NatWest not accepting his £8,000 net contribution on 28 March 2024. So, I find that it wouldn't be fair or reasonable in these circumstances for me to require NatWest to pay compensation to Mr E or to take any further action in response to this complaint."

In summary, my provisional decision was that NatWest didn't need to provide any additional compensation to Mr E beyond the £450 it had already paid, nor take any further action regarding this complaint.

I invited both NatWest and Mr E to provide any further comments or evidence for me to consider before making my final decision. NatWest didn't respond. Mr E, however, submitted substantial additional comments. In summary, he stated that I had misunderstood his complaint and that my provisional decision was based on inaccurate facts and biased in favour of NatWest. He continues to believe that he has lost tax relief as a result of NatWest refusing to accept a £8,000 net contribution to his pension plan on 28 March 2024 in the 2023/24 tax year. As a result, he believes my provisional decision was flawed. He asked me to review all the evidence again, retract certain statements from my provisional decision and uphold his complaint.

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.

The purpose of this decision isn't to repeat or address every single point raised by the parties to this complaint. So, if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

The findings I set out in my provisional decision form part of this final decision. I've reviewed all the evidence again and carefully considered the further comments provided by Mr E in response to my provisional decision. However, my view remains unchanged. I'll explain why.

The core of this complaint is Mr E's allegation that he lost out on tax relief when NatWest refused to accept a £8,000 net contribution on 28 March 2024 so that it was received in the 2023/24 tax year. He says this meant he missed the opportunity to carry forward and use unused tax relief from the 2020/21 tax year, which he believes is now permanently lost, causing him financial loss. He explained that he was only able to pay £32,000 gross into his NatWest plan for 2023/24, rather than £42,000 gross, which he says was always his intention.

In my provisional decision, I concluded that Mr E paid the £8,000 net contribution to his Scottish Widows plan at 15:30 pm on 28 March 2024 as a direct result of NatWest

confirming earlier that day, at 12:18 pm, that it couldn't accept his attempted £8,000 net contribution through its online app. NatWest told Mr E that it was unable to accept further contributions until previous payments made on 26 and 27 March had been fully processed, which was why the app wouldn't allow the £8,000 net contribution. So, it was clear Mr E was aware that NatWest was unlikely to accept any further contribution on 28 March.

Mr E doesn't dispute that he subsequently paid £8,000 net to his Scottish Widows plan on 28 March. However, he says this payment wasn't instead of the £8,000 net contribution he attempted to make to NatWest but in addition to it, which he says was always his intention. So his position is that he always intended to pay £8,000 net to his NatWest plan and £8,000 net to his Scottish Widows plan on 28 March. This is why he believes he's lost out on tax relief because he couldn't complete both contributions.

I find this position difficult to accept. This is because, at 07:38 am on 28 March, Mr E paid a £2,300 net contribution to his Scottish Widows plan. If it had always been his intention to pay more into Scottish Widows on that same day, I think it's more likely he would have paid more than £2,300 at 07:38 am. But he didn't. I consider it more likely that his original intention was only to pay £2,300 net to his Scottish Widows plan and that the additional £8,000 net contribution was only made later that day after NatWest confirmed it couldn't accept a contribution of the same amount.

Mr E's comments, together with the timing and amount of the £8,000 net contribution at 15:30 pm, strongly suggest to me that he made this payment to Scottish Widows as a direct response to NatWest confirming earlier that day that it couldn't accept the same contribution. His latest comments don't change my view on this. The evidence doesn't support Mr E's position that his original intention was always to pay two separate amounts of £8,000 net to his NatWest and Scottish Widows plans on 28 March.

Therefore, it remains my view that Mr E paid all the pension contributions he intended to make during the 2023/24 tax year. While I acknowledge his frustration at not being able to pay the contribution to his NatWest plan, the fact remains that he successfully paid the same tax relievable contribution to his Scottish Widows plan on the same day so that it was received in the 2023/24 tax year. For these reasons, I'm satisfied Mr E hasn't suffered the loss of tax relief as he has described. Therefore, I find that it wouldn't be fair or reasonable in these circumstances for me to require NatWest to pay compensation to Mr E or to take any further action in response to this complaint.

My final decision

Based on the reasons set out above, my final decision is that I don't uphold this complaint about National Westminster Bank Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 14 February 2026.

Clint Penfold
Ombudsman