

The complaint

Ms M on behalf of her business D complains that due to an error on NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPLY's ("NatWest") the balance of N's 95-day Liquidity Manager account was not processed on the agreed date. Ms M is unhappy about the redress offered by NatWest as she doesn't think it has considered the full impact on her and the interest lost due to the delay.

What happened

On 1 September 2025 a 95-day notice of withdrawal (expiring on 5 December) from D's Liquidity Manager account was given by Ms M on D's behalf.

Unfortunately, due to errors made by NatWest including a misunderstanding about a signature mismatch and an internal keying error the closure of the account and transfer of funds didn't take place on 5 December as expected and was delayed until 10 December.

Ms M complained to NatWest about this stating that as a result of the delay she wasn't able to open and transfer D's funds to an external savings account as planned until 29 December 2025 and wants NatWest to compensate for the lost interest.

To resolve D's complaint NatWest offered £750 compensation made up of:

- £111.31 for loss of interest on balance of £192,558.96 between 5 and 10 December 2025; and
- £638.69 compensation.

Ms M was dissatisfied with this and doesn't believe this reflects the actual financial impact caused by the delay as her planned transfer to an external account provider couldn't proceed as intended, was delayed and she had to start the whole process again.

Ms M wants NatWest to calculate the interest on the account balance between 5 December and 29 December 2025 at the rate of 4.22% and compensate D as this is the rate Ms M says would've been achieved with her external provider

Furthermore, Ms M says the significant amount of distress this ordeal put her through meant she needed to restrict her professional activity and as a result there was a loss of earnings for D.

One of our investigator's looked into Ms M's concerns and explained that as a service we aren't able to make an award or consider compensation for the impact or any distress caused to the Ms M personally as she is not the eligible complainant – D is - and so we would only be considering whether there has been a financial loss or administrative inconvenience to D as a result of any errors made by NatWest.

And as they hadn't received or seen any evidence that the delays with the closure of the account prevented the opening of a new account or the transfer of funds over past 10

December, they thought NatWest's offer of compensation of £750 including interest of £111.31 calculated on the balance (£192,558.96) at the rate of 4.22% was fair.

Ms M remained dissatisfied and has asked for an ombudsman's decision. Ms M says that NatWest made both operational and procedural failures in not executing the withdrawal instruction and providing false information about the signature mismatch which led to the delays.

Ms M says that the loss to D in terms of access to funds and loss of interest was entirely foreseeable and as it was right before a pre-planned business trip on 13 December her ability to plan financial and operational matters was significantly impaired.

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.

And after considering everything carefully – and I know this will come as a disappointment – I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

It might help if I explain my role is to look at problems that a consumer has experienced and see if the business has done anything wrong or acted unfairly. And where a business accepts – as NatWest has done in this case - it did something wrong, we'd expect the business to put the consumer – D - in the position it would be in if that wrong hadn't taken place and we may award compensation that we think is fair and reasonable.

In this case it's not in dispute that something went wrong at NatWest's end in the closure of D's account that resulted in the account closure being delayed by five days.

So what I need to decide is whether NatWest's compensatory offer of £750 is a fair and reasonable way to settle D's complaint. And I think it is.

Ms M says NatWest made both operational and procedural failures in not executing the withdrawal instruction. But as this service doesn't supervise, regulate or discipline the businesses we cover and my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority – so I won't be looking to award any punitive damages for the errors NatWest made.

Ms M in her submissions has explained how the delay in the processing of the closure of D's account has affected her personally and says the significant amount of distress this ordeal put her through meant she needed to restrict her professional activity and as a result there was a loss of earnings for D.

But as our investigator has already explained I cannot look at compensating Ms M for any distress and inconvenience she suffered personally as she isn't the customer in this event – D is.

And my understanding is that the plan – and what ultimately happened – for the funds held in the account in question was to transfer them to a savings account held externally to earn interest, rather than them being needed for the immediate operational needs of D. And as I've seen no evidence to the contrary, I'm not persuaded that a delay of five days – over a weekend - where Ms M didn't have access to the funds impacted D's operations or inhibited Ms M in a professional capacity.

Ms M says that it was due to NatWest's processing error that the account with the external provider couldn't be reasonably opened until 29 December and wants NatWest to compensate for lost interest between 5 and 29 December 2025. But I don't agree.

Ms M had access to D's funds from 10 December, yet she didn't open an account until 29 December. I think if Ms M had planned on making this transfer on the 5 December or in the days following the account would've been opened already. But I've seen no evidence to show she'd even started the process or that she was prevented from opening the account sooner than she did.

So I'm not persuaded NatWest are responsible for any lost interest after the 10 December. And as NatWest have offered to compensate £750 to cover lost interest of £111.31 and any administrative inconvenience, I think this is a fair and reasonable way to settle D's complaint as this I think is enough to cover all lost interest up until 29 December and likely puts D in a better position than it would've be in if the mistakes hadn't happened.

My final decision

For the reasons I've explained I think the £750 compensation NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPLANY have offered to settle D's complaint is fair and direct that if it hasn't done so already to pay this now.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 13 April 2026.

Caroline Davies
Ombudsman