

The complaint

Mrs C is unhappy that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (“NatWest”) hasn’t been able to recover money she sent in error to an incorrect recipient and with the service NatWest provided her regarding this matter.

What happened

From December 2024 to April 2025 Mrs C made several payments totalling around £450 to a recipient “A” who was acting as a representative of a company Mrs C was also a representative for. Mrs C had previously made a genuine payment to A and so she was saved as a payee of Mrs C’s.

Unfortunately, the payments Mrs C made to A weren’t intended for her but rather to the company Mrs C was acting as a representative for.

Mrs C noticed her error and not being able to contact A and request the funds back, she notified NatWest about this on 30 April 2025.

NatWest said it would investigate the matter and let Mrs C know the outcome. NatWest attempted to recover Mrs C’s funds on 1 May but was unsuccessful. Despite promising a call back Mrs C didn’t hear back from NatWest until it sent her a letter on 30 May 2025 advising that it hadn’t received a response from the recipient bank regarding the return of her funds.

NatWest again chased the recipient bank in June, but didn’t receive a response.

Mrs C complained to NatWest that it didn’t do enough to recover her funds and that she had to chase them for an update on the matter.

NatWest apologised for its poor service in not calling Mrs C back as promised and paid Mrs C £50 in compensation as an acknowledgement of this.

NatWest says it followed the correct processes for faster payments and could not prevent or return the payments. NatWest advised it was unable to provide Mrs C with any personal details of the payee information, but she could find out their sort code and account number by reviewing their payee information.

Mrs C was dissatisfied with this and so brought her complaint to this service.

One of our investigator’s looked into Mrs C’s concerns and explained that given the payments weren’t of an unusually high amount and completed over six months they wouldn’t expect NatWest to have intervened in the payments as there was no immediate concern of financial safety.

They thought NatWest had done what we’d expect it to do in assisting Mrs C in the recall of the payments once Mrs C had notified it the details were incorrect, but despite chasing the recipient bank in May and June 2025 it got no response and didn’t think there was anything more NatWest could do to recover the funds.

They acknowledged that it would've been helpful for NatWest to advise Mrs C of the expected timescale and hadn't provided the call back as promised but thought the £50 compensation it had awarded was fair and didn't think further compensation was warranted.

They explained that under regulation 90 of the Payment Service Regulations 2017 there are certain circumstances where the sending payment service provider (PSP) should contact the recipient PSP to obtain certain information of the recipient – including the recipient account holder's name and an address at which a legal notice can be served - so that the payer can start civil proceedings to claim repayment of the funds.

But as NatWest had been unable to obtain any information from the recipient bank, they didn't think it was likely NatWest would get a response or there was anything else NatWest could do.

On 1 December 2025 our investigator asked that NatWest request the name and address of the payee from the recipient bank in-line with Part 90 (4) of PSR 2017 and to evidence this communication to this service by 15 December 2025, but NatWest failed to respond.

Mrs C remains dissatisfied and is seeking a compensatory award of £400 to reflect the distress, inconvenience and the significant amount of time she has had to spend pursuing the matter including the repeated delays and the lack of engagement from the receiving bank. Mrs C also wants the recipient's details including the name and address of the individual who received her funds so she can pursue a civil action and has asked for an ombudsman's decision on the matter.

I issued my provisional decision on 24 February 2025. In my provisional decision, I explained why I was proposing to partially uphold Mrs C's complaint. I invited both parties to let me have any further submissions before I reached a final decision and while Mrs C has responded neither party have added any new information and so the complaint has been progressed for a final decision.

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 my provisional decision I said that:

"It might help if I explain here my role is to look at the problems Mrs C has experienced and see if NatWest has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Mrs C back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having carefully considered everything I'm currently intending to partially uphold Mrs C's complaint as although I'm in agreement with our investigator and think NatWest has done all it can reasonably do to try and recall the payments, I think there is still more it can do to assist Mrs C in trying to recover the payments through other means.

I sympathise with Mrs C as she is out of pocket and has been inconvenienced in having to spend time trying to recover her funds. But it must be remembered – and this isn't in dispute - that the loss of her funds isn't due to the action or inaction of NatWest, but rather the payments were made in accordance with Mrs C's instructions and were made to the wrong recipient due to an unfortunate mistake made on her behalf.

I accept that NatWest failed to provide the callback as promised and didn't receive an update to the recall request until 30 May 2025 where NatWest advised that it hadn't received a response from the recipient bank regarding the return of her funds.

But there is no guarantee that a recall would be successful and as soon as Mrs C notified NatWest of the error it acted promptly and within a day and what I believe is a reasonable timeframe did all it could within the powers it had to try and retrieve the payments for Mrs C by submitting a recall request to the recipient bank.

I agree NatWest could've provided a better service when it failed to call Mrs C back as promised and managed Mrs C's expectations better around this. But as a callback to Mrs C wouldn't have made a difference to the successful recall of the payments, I think the £50 compensation already paid is fair for this error.

But as I've explained above, I still think there is more NatWest can do.

Section 90(4) of the Payment Services Regulations 2017 (PSRs) states the following:

"(4) If the payer's payment service provider is unable to recover the funds it must, on receipt of a written request, provide to the payer all available relevant information in order for the payer to claim repayment of the funds."

On Mrs C's behalf this service has already requested in writing that NatWest provide all relevant information in order for Mrs C to claim repayment of the funds.

NatWest responded to this request stating that it was unable to give this information due to General Data Protection Regulation concerns.

But the Financial Conduct Authority (FCA) has interpreted section 90(4) as follows in the FCA's Payment Services and Electronic Money – Our Approach guidance:

"8.294 We would expect the relevant information provided pursuant to regulations 90(3) and (4) of the PSRs 2017 to include the payee's name and an address at which documents can be effectively served on that person. When providing information to its customers to ensure fair and transparent processing of personal data (e.g. in a privacy notice), as required by applicable data protection legislation, a PSP should take account of its potential obligations under regulations 90(3) and (4) of the PSRs 2017."

And:

"8.295 We would also consider it best practice for the payer's PSP, after receiving the relevant information from the payee's PSP but before providing such information to the payer under regulation 90(4) of the PSRs 2017, to notify the payee that this information will be provided to the payer."

And so as NatWest hasn't responded to this services request that it request the name and address from the recipient bank to allow Mrs C to take legal action or provided evidence of correspondence showing it has done this, I currently think there is more that NatWest needs to do.

I think NatWest has a duty to request "relevant information" from A's bank and that NatWest should approach the recipient bank again to seek the account holders name and address and disclose this to Mrs C to enable her to claim repayment of the funds.

If the recipient bank fails to provide NatWest with the information requested or upon receipt NatWest decides it's unable to share this information for legitimate reasons it should inform Mrs C about this.

I appreciate that Mrs C wants further compensation to reflect the distress, inconvenience and the significant amount of time she has had to spend pursuing the matter including the lack of engagement from the receiving bank.

But I can't consider the actions of the recipient bank as part of this complaint against NatWest. And as it this service isn't the regulator and its not this service's role to punish or fine financial businesses for their behaviour, if the recipient bank doesn't provide the information requested I wouldn't look to award any further compensation as there is nothing more that I think NatWest can reasonably do."

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I partially uphold this complaint and direct NatWest approach the recipient bank seeking the account holders name and address and disclose this the response to this to Mrs C .

My final decision

For the reasons I've explained I partially uphold Mrs C's complaint and direct that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY take the necessary actions as outlined in my decision.

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

Caroline Davies
Ombudsman