

## **complaint**

Ms L complains that National Westminster Bank plc (NatWest) is unfairly holding her responsible for a debt that arose from transactions she says she neither made nor authorised.

## **background**

Ms L holds two accounts with NatWest, and I shall refer to them as "account A" and "account B".

A cheque was paid into account A. Shortly after that:

- a little less than the value of the cheque was transferred from account to account B, using Ms L's online banking facility;
- a cash machine withdrawal was made from account A; and
- most of the money was transferred from account B to a third party's account, again using Ms L's online banking facility.

The cheque was in fact stolen and the bank on which it was apparently drawn did not pay it. NatWest therefore took the amount of the cheque from account A. This created an unauthorised overdraft, so the bank made a transfer from account B to offset it. It recovered a relatively small proportion of the money transferred to the third party, but a significant debt remained on account A.

Ms L said that she did not deposit the cheque or make or authorise any of the transactions I have described. She does not believe that she should be held liable for the debt on account A. She told the bank that she still had the cards for both accounts.

One of our adjudicators considered the complaint, but did not recommend that it be upheld. Ms L asked that the matter be reviewed by an ombudsman.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have come to broadly the same conclusions as the adjudicator did, although for slightly different reasons.

I am satisfied that the genuine card for account A was used to make the cash machine withdrawal. I also accept that the genuine card for account B was needed to make the online transfer to a third party, because NatWest's online banking system uses card readers. In each case the correct PIN for the card would have been needed as well. The cheque could only have been paid in by someone who knew Ms L's account details.

So, whoever carried out the various transactions had:

- the account number and sort code for account A (so they could pay in the cheque);
- Ms L's customer number, online PIN and online password (so they could access her online banking facility);

- the card and PIN for account A (so they could make the cash machine withdrawal); and
- the card and PIN for account B (so they could transfer money to a third party account using a card reader).

That person would then have had to return both cards to Ms L without arousing suspicion. The PINs are not kept in unencrypted form on the cards themselves.

NatWest can hold Ms L liable here if she made or authorised the disputed withdrawals and transfers, if she authorised someone else to do so or if she let someone else use her cards and accounts. It is possible of course that someone was able without Ms L's knowledge to obtain all the information I have listed above, as well as the cards – and that they were able to return the cards to Ms L. But I have to decide whether that is what happened, or whether there is another, more likely explanation.

In all the circumstances, I believe that it is more likely that Ms L let someone else have access to her accounts and that this allowed them to carry out the transactions I have described. It may be that she was not aware exactly how her accounts might be used; but it does not follow that she is not liable for the way in which they were used.

### **my final decision**

My final decision is that I do not uphold this complaint.

Michael Ingram  
**ombudsman**