

complaint

Mr C complains that national Westminster Bank Plc ("NatWest") has not treated him fairly in that it continues to seek repayment of £25,000 from him, despite having previously confirmed that he owes a lower amount. He would like the bank to compensate for the distress and inconvenience it has caused him, and to waive the outstanding debt.

background

In 2000, Mr C attended a NatWest branch to arrange a bank draft for around £10,000. Due to a bank error, his account was only debited £104. A bank representative initially accused him of fraud, but even after the matter was cleared up and an arrangement put in place to allow Mr C to repay the outstanding amount, the bank has continued to periodically demand repayment of £25,000. Mr C says this has caused him considerable distress and inconvenience. As the matter arose out of a bank error, and he has been meeting his repayment obligations, he considers the bank's treatment of him is unreasonable, and that it should now waive the remaining debt and pay him compensation for the stress he has experienced since the error was first made.

Our adjudicator considered that NatWest's offer of £500 compensation for the distress and inconvenience its errors have caused is fair and reasonable in the circumstances. She noted that this Service isn't able to look at the parts of the complaint which took place more than six years ago. In light of that, she considered that the bank had taken reasonable steps to put matters right, including acknowledging the error, confirming the correct debt amount and making the compensation payment and additional offer.

Mr C does not agree, saying the view should take account of everything that has happened in relation to the complaint since the bank's error in 2000. He says he has experienced years of distress and inconvenience which should be considered. He would like the bank to waive the debt, apologise and pay increased compensation.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand why Mr C is so dissatisfied with his experience with NatWest since it made an entry error in 2000, and I can appreciate that he has experienced distress and inconvenience in the years since. But I'm afraid this Service isn't able to look at everything which is brought to it. Strict rules govern what we can investigate, and matters which are older than six years are outside our terms of reference. This means I'm not able to look at anything which took place more than six years ago, so I can't look at what happened in 2000 or take account of what happened before 2010. I realise this will be very disappointing for Mr C.

Looking at the parts of his complaint which relate to the last six years, I agree that NatWest caused Mr C distress and inconvenience by requesting repayment of a higher debt than he had ever owed. NatWest has acknowledged this was due to further record-keeping errors on its part, and has offered to pay Mr C a total of £500 compensation. Looking at that compensation offer in relation to the last six years only, I consider that it is fair and reasonable in the circumstances and reflects the serious impact of the bank's more recent errors on Mr C.

Mr C has also asked for the remaining debt to be written off. I'm afraid I can't tell NatWest to do this. While I realise that the debt arose out of a bank error, Mr C had intended to make the original transfer but was only charged a small percentage of it at the time. He has had the benefit of the money and it's reasonable to expect he will repay it.

Mr C has also asked for reassurance and an apology from the bank. In the course of responding to this complaint, NatWest has confirmed that its records now show the correct outstanding amount for the debt, so Mr C shouldn't receive incorrect demands in the future. I can't order the bank to apologise, though I consider it has acknowledged that its service fell short of what is expected, and that the compensation offer takes account of this.

my final decision

National Westminster Bank plc has offered to pay Mr C a further £300 compensation (in addition to the £200 already paid) for the distress and inconvenience its errors have caused him. I consider this to be fair and reasonable in the circumstances. My decision is that National Westminster Bank plc should pay Mr C £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 November 2016.

Catherine Wolthuizen
ombudsman