

complaint

Mr O complains that National Westminster Bank Plc prevented him from using his account and provided him with poor service after he complained.

background

Mr O approached NatWest about opening an account. He could see from the information he was given that NatWest would require proof of his address. He says he took the documents he had to the branch and was told that he'd need either a council tax bill, a gas or electricity bill or a letter from his employer confirming his address and status. He wasn't able to get a bill quickly enough. So he asked his employer for a letter. After some initial problems with the formatting, he showed an adviser at the branch the letter from his employer. Mr O says the adviser confirmed that it was acceptable and made an appointment for him open the account.

The account was opened at the meeting and Mr O was given a letter confirming the details. But he says that on his way back from the meeting, the adviser who'd opened the account phoned him and said that he'd need to return with further documents.

Mr O gave the details of his account to his employer. But when it tried to pay his salary into the account, the payment failed.

NatWest wrote to Mr O two weeks after he applied for the account, asking him to provide proof of his address so that the application could be completed. It repeated the request in another letter a fortnight later. NatWest says the account was closed when it still hadn't received the documents it had asked for more than ten weeks after Mr O applied for the account. In the meantime, Mr O opened an account with another provider, whose identification requirements were different. But the following month there were further problems with the payment of his salary, as his employer didn't amend his bank account details to show the account he'd opened elsewhere.

Our adjudicator didn't recommend that the complaint should be upheld. She said, in summary, that if NatWest doesn't have all the identification documents it asks for, it puts a marker on the account and contacts the account holder to resolve the situation. She acknowledged that Mr O had been inconvenienced, but NatWest had followed its account-opening procedures correctly and she couldn't ask it to change them. Mr O wasn't happy with the adjudicator's view, so the complaint was passed to me.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr O and to NatWest on 4 January 2016. I summarise my findings:

- I explained that where the evidence is incomplete, inconclusive or contradictory (as some of it is here) I reach my decision on the balance of probabilities – that is what I consider is most likely to have happened, given the evidence that is available and the wider circumstances.
- NatWest issued two letters to Mr O on the day of the account-opening meeting. One said that there were a few things it needed to do before it could open the account. It asked Mr O to sign and return the application with supporting information requested

as soon as possible. The other letter was headed "Good news – your new account is now open". It set out details of the account and said that Mr O should give the information to his employer if he needed wages to be paid into the account. These letters appeared to have been handed to Mr O at the meeting.

- I accepted, on balance, that before the meeting Mr O was told by a member of staff at the branch that a letter from his employer would be acceptable instead of a council tax or utility bill. And it seemed that the member of staff who conducted the meeting and issued Mr O with the letter confirming that the account was open also thought this would be enough.
- NatWest's records show that on the day of the account-opening meeting, a marker was placed on the account because the required identification information hadn't been provided. I considered the most likely explanation was that shortly after the meeting, the adviser discovered that the documentation Mr O had provided wasn't, in fact, enough. This tied in with Mr O's recollection that NatWest phoned him on his way home from the meeting to tell him he'd need to provide further documents after all.
- Mr O says that he wasn't told that he wouldn't be able to use the account. I thought it unlikely NatWest would have told him he'd need to provide more identification documents without also telling him that he wouldn't be able to use the account until they were provided. But Mr O's employer tried to pay his salary into his account the day after NatWest issued the letter confirming that the account was open. So even if NatWest told Mr O on the day the account was opened that he wouldn't be able to use it until he'd provided further documents, I thought it likely it would have been difficult to make alternative arrangements quickly enough for payment of his salary.
- In the event, Mr O had to wait for his salary to be returned to his employer. He then arranged for it to be paid into his account in his home country. He incurred charges for international transactions until he opened an account with another bank. And he says he incurred extra expense as he had to wait until he had a bank account to take out a mobile phone contract.
- I accepted that NatWest was entitled to decide what identification evidence to require Mr O to provide before he could use the account. But having considered everything that Mr O and NatWest have said, I thought Mr O was given incorrect information about what identification documents would be acceptable. As a result, he spent time arranging for a letter to be provided. And he spent time meeting the bank and completing the necessary paperwork, only to find that the documents he was able to provide weren't enough after all.
- Mr O says he opened an account at another bank with no difficulty. I thought it likely that if he'd been told at the outset that NatWest wouldn't be able to open an account with the documents he was able to provide, he wouldn't have spent time trying to open the account.
- I accepted that Mr O did everything he could to comply with NatWest's requirements. And the rejection of his salary payment, would have caused him some stress and inconvenience.

- When Mr O complained about what had happened, he was given the email address of a member of staff who was on leave. And he says other urgent emails he sent received no answer. But while I could understand that the situation was unsatisfactory for Mr O, I was satisfied that NatWest communicated reasonably clearly with him about what would be needed.
- I was satisfied, on balance, that the reason why the account was closed was that NatWest still hadn't received the documents it had requested several weeks after the account-opening meeting. I didn't consider that to have been unreasonable.
- Mr O says that when he visited the branch following the problem with payment of his salary, he was told to make a note of the time he'd spent and expenses incurred as a result of the problem, so that NatWest could reimburse him. He's provided a breakdown of the time he spent and has asked NatWest to pay him more than £1,000.
- I wasn't convinced that NatWest gave any firm commitment to reimburse Mr O for his time and expenses or to make any other payment to him. But in view of what I'd said, I considered it fair that it should pay Mr O some compensation for the inconvenience it caused him.
- I didn't consider it reasonable to require NatWest to compensate Mr O at his professional hourly rate. Nor did I consider it would be reasonable to require NatWest to compensate Mr O for the problems he had with payment of his salary the following month. This is because I didn't consider that they were caused directly by NatWest. But I considered a payment of £150 would be fair to reflect the inconvenience Mr O experienced, and to include a contribution to his expenses.

further submissions

NatWest accepts my provisional decision. But Mr O isn't fully satisfied with it. He says, in summary:

- His salary payment failed twice. His employer failed to update his bank details to show his new bank after the first failed payment. But in the month between the first failed salary payment and the second one, he provided all the required documents, including utility and council tax bills which he'd subsequently managed to get, to NatWest. So the problem should have been solved.
- He did everything that was required of him. But the service he received was poor, both from a technical and human standpoint.
- He wants to stress that he lost time and money and the manager asked him to record this. He thinks this should be properly reflected. So he's only partly satisfied with the £150 compensation I suggested in my provisional decision.

my findings

I've considered all the available evidence and arguments, including the further points that Mr O has made to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not convinced that I should depart from the conclusions I reached in my provisional decision.

I was aware when I issued my provisional decision that Mr O's salary payment had failed for two consecutive months. But as I mentioned, Mr O had explained that his employer hadn't amended his bank account details to show the account he'd opened elsewhere. If his employer had amended his bank details, I think it's reasonable to assume that Mr O would have received his salary into his account with the other provider with no problem. But I can also see that if NatWest had lifted the block on Mr O's account by then, the salary could have been paid into Mr O's account with NatWest.

NatWest wrote to Mr O in late June 2015, explaining that it still needed further documents from him. And in an email Mr O sent NatWest on 30 June 2015, he suggested that he only provided NatWest with "the direct debit bills for gas electricity and council tax I set up with the other bank" on that day. I don't doubt what Mr O says. But NatWest has no record of the further documents he says he provided. And I think it likely that by 30 June it would have been too late to enable Mr O's salary to be paid without difficulty into his account with NatWest. So I remain of the view that NatWest wasn't directly responsible for the problems with Mr O's second salary payment.

I acknowledge what Mr O says about branch staff having told him to keep a record of how much time and money he spent as a result of the problems with opening the account. But my role is to reach an independent decision in the light of everything that's been said and provided. I've accepted that NatWest caused Mr O distress and inconvenience. But for the reasons set out in my provisional decision, I consider £150 to be fair compensation to reflect that.

my final decision

My decision is that National Westminster Bank Plc should pay Mr O £150.

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

Juliet Collins
ombudsman