complaint

Mr and Mrs W complain that National Westminster Bank Plc (NatWest) started charging a fee for their account, when it had agreed not to.

background

Mr and Mrs W hold a Gold Plus account with NatWest, which had a free overdraft facility and charge card linked to it. In April 2013 NatWest wrote to all its Gold Plus account holders giving three months notice that it intended to introduce a fee for each month that the overdraft was used. Mr and Mrs W were charged for using the overdraft for two months later that year. They say that NatWest had told them that the terms of their account would not change for the life of the product or until the account was closed.

NatWest refunded the charges in late 2013, as a gesture of goodwill, but it didn't agree that the account shouldn't be subject to the charge. It did accept that it had provided poor service in dealing with Mr and Mrs W's complaint and paid £200 for this.

The adjudicator didn't recommend this complaint should be upheld. She thought that as NatWest had refunded the disputed fees straight away and had agreed its service had been poor, the £200 it had paid was fair and reasonable in all the circumstances.

Mr and Mrs W disagreed. They didn't feel that £200 was appropriate after having to pursue the matter for 19 months. They thought they should be awarded a higher amount.

my findings

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

Mr and Mrs W say that NatWest agreed the terms of their accounts would stay in force throughout the life of the product or until they closed the account. So even though NatWest had given them notice of the introduction of fees, this shouldn't have applied to them. They first raised this issue with NatWest in late 2013. Whilst it did refund the charges, as a gesture of goodwill, it didn't agree that they wouldn't incur future charges.

Mr and Mrs W continued to dispute the issue with NatWest. In early 2015 the bank agreed that it hadn't handled their complaint satisfactorily and paid £200 for this. Despite this, I find that the bank's final response letter said, again, that they were not exempt from the fees on the account. So Mr and Mrs W brought their complaint to this service.

NatWest now accepts that it was wrong. Mr and Mrs W are entitled to keep the account on its existing terms for its life or until it is closed. It has placed a marker on their account to show that they are exempt from charges. Mr and Mrs W had to take a lot of time and energy to help it see this. In the circumstances, I think that Mr and Mrs W have suffered further upset and I know they feel it has cost them dearly in terms of their time and the stress they have been caused. Whilst it's not for me to fine or punish the bank, and we don't make awards based on the number of mistakes a financial business makes, I am persuaded that NatWest should compensate Mr and Mrs W further. I appreciate that they think it should pay a total of £500 but I'm not convinced this is fair.

In reaching my decision I have considered the impact on Mr and Mrs W and the amount of time needed to resolve this. I have also considered that NatWest didn't handle this complaint well and took many months to identify and admit its error. Having taken all this into account, I consider NatWest should pay Mr and Mrs W a further £150.

my final decision

My final decision is that I uphold this complaint. I require National Westminster Bank Plc to pay Mr and Mrs W a further £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 19 February 2016.

Karen Wharton
ombudsman