

## **complaint**

Mr J complains that National Westminster Bank Plc is seeking repayment of overdrawn funds on his account following a fraudulent cheque transaction. Mr J says he is the victim of fraud and wants NatWest to cancel the debt.

## **background**

Mr J opened a bank account with NatWest, which was later activated by making a nominal deposit. Shortly afterwards, two cheques, each for nearly £5,000, were paid into Mr J's account. That day, Mr J spoke to NatWest's fraud department and disputed a number of recent small value credits and debits on the account. He said he had lost his bank card – he initially thought at home – and NatWest said it would issue him with a new card.

A few days later a transfer for nearly £5,000 was made to a third party using online banking. The cheques were returned unpaid as they were discovered to be fraudulent. This left Mr J's account overdrawn by nearly £5,000. NatWest told Mr J it was going to close his account but he said he was not responsible for any of the credits – including the fraudulent cheques – or debits on the account. Mr J told NatWest that he had lost his wallet containing his bank card and a note of his PIN. NatWest pointed out this was against the terms and conditions of the account, which Mr J said he was unaware of.

NatWest rejected Mr J's claim of fraud. The bank said the person paying the cheques in had details of the account that should be known only to Mr J. He was not happy with NatWest's response so referred the matter to this service.

Our adjudicator did not recommend Mr J's complaint should be upheld. He agreed with NatWest's assessment and noted several inconsistencies in Mr J's version of events, including a suggestion that he had previously asked NatWest to close his account. The adjudicator also noted that a large amount of Mr J's personal and account information (including his PIN) was required to set up online banking and make the transfer of £5,000 to a third party.

Mr J did not agree with this view so the matter has been referred to an ombudsman for a final decision.

## **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 reached the same conclusion as the adjudicator.

Frankly, I find Mr J's version of events difficult to believe. His story appears to have changed as new information has come to light during NatWest's and the adjudicator's investigations. Having said that, I have no reason to believe Mr J personally paid the fraudulent cheques into his account. The key issue I have to consider is whether NatWest can hold Mr J responsible for the transactions, and therefore the debt. I believe NatWest can.

It is not clear when Mr J's card went missing. He says his card was in his wallet. At one point he says that his wallet also had a note of his PIN in it. He later said his account number was in his wallet. He also suggests that he asked NatWest to close his account before the fraudulent cheques were paid in. I have listened to the call recordings provided by NatWest

and have found no request from Mr J to close his account. These changes to Mr J's story do little for his credibility.

The person setting up online banking for Mr J's account had significant personal and account information. This was not limited to information on Mr J's card. His PIN was required to set up the payment arrangements to the third party that later received the transfer of nearly £5,000. The first payment under this arrangement – for a small amount (almost certainly to test that the process worked) – was set up just before the fraudulent cheques were paid in.

The fraudulent cheques were paid in using paying-in slips in the name of an organisation but with Mr J's sort code and account number pre-printed on them. So, the fraudsters must have had access to information about Mr J's account before he first spoke to NatWest about the possible loss of his card.

When I combine all of the above, I think it is highly unlikely the disputed transactions were carried out by an unknown third party. I know that Mr J will be disappointed with this but I believe NatWest can hold him responsible for the overdrawn funds.

NatWest has made a commercial decision to no longer provide Mr J with banking facilities. I see no reason to ask NatWest to change its mind.

#### **my final decision**

For the reasons I have given, my final decision is that I do not uphold Mr J's complaint.

Andrew Davies  
**ombudsman**