

complaint

B, a community association, complains that National Westminster Bank Plc credited a payment to its account that was due for its treasurer.

background

The treasurer of B had registered for mobile banking with NatWest to access the accounts of B. A business client of the treasurer wanted to make a payment to him. That client made that through the mobile banking app using his mobile number. But as that number was registered for the accounts of B the money was credited to one of its accounts. The treasurer said he faced embarrassment as a result and there was inconvenience as the money had been wrongly credited. He thinks that there has been a data protection breach.

Our investigator did not recommend that the complaint be upheld. She said that:

- The treasurer had registered for the mobile banking app on 6 November 2017 using his mobile number.
- The mobile app has a payment service 'pay your contacts' which can be used to make payments using someone's mobile phone number rather needing to know an account number.
- The terms and conditions for the mobile app say that if someone makes a payment in this way using the app it will be credited to the account linked to that number on the system. Here the treasurer's number was linked to B and so B received the payment sent using his mobile number details.
- A payment would have needed to be made by Faster Payment to avoid this happening then.

B did not agree. The treasurer said he did not explicitly consent to the use of this service. And NatWest did not inform B that he was automatically enrolled into this. He did not think that the terms and conditions stated this.

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'm looking at the features of the product that existed when the payment was made in July 2018. At that time if a payment was made using a mobile app from any part of the wider business grouping including NatWest to another part of the group it would be directed according to the information registered on that mobile app. This was a feature of the app and was automatic. It did not need specific registration. I've noted that there is information about the features of the mobile banking app on the NatWest website now and I've no reason to think that this wasn't the case when this payment was received.

I understand that the mobile banking terms and conditions are written to explain what happens when someone makes rather than receives a payment using pay your contacts. But I don't think that distinction is significant in reviewing this complaint. It is clear to me that anyone who had registered for one of the apps would receive payments in this way and that the mobile phone of the payee would be used to identify them.

It seems that the person making the payment wrongly assumed that it would get to the treasurer. And it's clear that the treasurer never asked for a business payment in this way.

But unfortunately because he uses the same mobile number for his business clients and had only registered it for mobile banking for B the money was directed to B. It's important to note that the person making the payment wouldn't have discovered anything about B as part of this – all that person knew was the treasurer's mobile number.

I don't doubt that this caused him embarrassment but I can see that in the final response letter NatWest explained clearly what had happened so that the treasurer could explain it to his colleagues at B. And I understand that the money was transferred from B to his business. At that time NatWest said that the only way to prevent this happening was to 'unregister' for the app. Having looked at all the evidence I am not persuaded that NatWest made an error or disclosed any information to a third party about B.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 5 March 2020.

Michael Crewe
ombudsman