

complaint

Mr B complains that National Westminster Bank plc failed to take proper action when he reported unauthorised transactions on his account and later unfairly closed his accounts and registered default information on his credit file.

background

Mr B says that, following his raising a number of disputed transactions, NatWest failed to look into these properly and this resulted in refunded transactions being re-debited again. Eventually, NatWest told Mr B that it was going to close his accounts. Mr B says he was assured, over the phone, that provided the disputed transactions were refunded to within the overdraft limit he would be allowed to keep the accounts open.

NatWest went ahead with the account closures and also registered information on Mr B's credit file about the overdrawn balance. Mr B says that this registration has meant he is now only able to get a basic bank account and a pre-paid plastic card. He considers it was unfair for NatWest to close his accounts and make the registration, given the circumstances in which the problems arose.

NatWest says it considered the banking relationship between it and Mr B had broken down and did not accept that it had acted unfairly in closing the accounts or making the registration.

As things were not settled, Mr B brought his complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator considered there had been shortcomings in the way NatWest had dealt with the disputed transactions and found that it had been unfair in registering the default on that account. The adjudicator recommended that NatWest should remove the default that it applied to Mr B's credit file. The adjudicator considered that NatWest had been entitled to close Mr B's accounts.

NatWest was prepared to accept the adjudicator's recommendation. Mr B did not agree, and provided his response to what the adjudicator had said about his complaint. He felt NatWest should remove all the defaults it had registered against him – and not just the one on his main account. He also felt that he should receive compensation for what had happened, and reimbursement of his out of pocket expenses in bringing the complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Mr B had six accounts with NatWest, of which five were overdrawn. He has explained that, although the problems he has identified relate primarily to his main account, he also feels that this affected all his accounts.

Mr B identified a number of gambling transactions on his account as being unauthorised, and I can see that there was then a fairly lengthy exchange between Mr B and NatWest about this. NatWest initially refunded the transactions pending further enquiries, which is normal in such situations. NatWest says that the betting companies subsequently argued that these were genuine transactions and so would not allow them to be charged back.

Looking at the statements, I can see that the disputed transactions were refunded and re-debited on more than one occasion.

NatWest says that, purely in order to bring the main account to zero and enable it to be closed down, it eventually refunded the withdrawals even though it had not been persuaded they were unauthorised. It accepts that it then allowed Mr B to take out that money, which it says had not been its intention. It cannot explain why it allowed him to do so and it seems to me that this was caused by lack of proper internal communication about the account.

Overall, I think NatWest should have dealt with these disputed transactions in a way that was more transparent, which could have avoided most of the confusion that arose around them. This would also have enabled Mr B to better understand the position on his accounts.

Given that, I think it is fair that the relevant default registered by NatWest on 31 August 2014 should be removed. I do not agree that it is also necessary for NatWest to remove any registrations made in relation to Mr B's other accounts with it, since I am not persuaded that those were caused by failings on NatWest's part.

NatWest told Mr B that it wanted to close his accounts. In all the circumstances, and having regard to the terms and conditions of Mr B's accounts, I find that it was entitled to do that.

my final decision

My final decision is that I direct National Westminster Bank plc to remove the default that it registered on Mr B's account (the number of which has been specified by the adjudicator) on 31 August 2014.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 1 September 2015.

Jane Hingston
ombudsman