

complaint

Mr G is unhappy about transactions that National Westminster Bank plc allowed spending on his credit card that exceeded what he believed was his spending limit of £6,000. He also complains about contradictory advice he received about what his actual limit was and the reasons why some transactions were declined. He is also unhappy about a direct debit from his current account that was taken to clear his credit card balance pending resolution of his complaint.

background

Mr G held a credit card account with NatWest which he opened in 1989. He understood the credit limit was £6,000. His wife, an authorised card user, completed various online gambling transactions. Mr G does not dispute the legitimacy of the transactions but does dispute payments on the account after it exceeded the £6,000 limit he believed he had. Mr G believes NatWest should have prevented any spending over £6,000. In subsequent telephone calls and correspondence from NatWest, Mr G was given conflicting information about his limit and why transactions were refused when the spending was around £8,500. Mr G requested the return of a direct debit of over £9,000 while his complaint was resolved. Charges and interest were incurred.

The adjudicator did not recommend that this complaint should be upheld. He concluded NatWest had not made an error. Mr G had not disputed the transactions and the cardholder had had the benefit of the funds, so it was fair and reasonable that they be repaid. However in light of the unhelpful information provided by NatWest that Mr G's limit was £6,000 but he could spend double that sum, NatWest agreed to waive fees incurred from December 2012 to March 2013, not levy further fees from April 2013 while the complaint was being decided and refund the additional cardholder fee, given the card of Mr G's wife had been destroyed. NatWest also waived fees from November and December 2012 and paid Mr G £40 for his distress and inconvenience.

Mr G disagrees saying the limit should never have been exceeded and he is not liable for the sums exceeding £6,000.

my findings

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

I have sympathy with Mr G who is understandably upset and frustrated that transactions were processed that took his account beyond what he understood was the credit limit. I also note that his distress was compounded by the confusing and conflicting information he was given concerning his limit. I acknowledge that given Mr G thought his limit was £6,000, it would have come as a surprise to find that spending over that amount was not being declined, resulting in a debt that he did not believe he should be responsible for.

Under the terms and conditions of the account there was no spending limit as such. However, I am satisfied that in practice the holder of the type of account Mr G held could spend up to 99.5% of double the stated limit of £6,000. I note that the original application and account terms and conditions are no longer available. However, I am satisfied that Mr G had access to the account conditions and changes as well as any changes in those terms and conditions as they occurred from time to time.

Nevertheless, Mr G clearly did not understand that at all times that he held the card he could, in fact, spend up to almost £12,000 despite the so-called credit limit of £6,000. When this clarification was ultimately made after Mr G refused to pay more than £6,000, it was provided in a confusing way and I am not persuaded Mr G even then understood why spending over £6,000 could take place. I note that many of the terms were explained in detail by the adjudicator. I also note that having been told the limit was £12,000 Mr G complains that transactions were declined when the balance was approximately £8,800. Based on this, I am satisfied NatWest took reasonable measures to prevent suspicious transactions. While I consider this was satisfactorily explained as being due to the high volume of transactions occurring at that time, this inconsistency would have been very confusing and frustrating.

On balance then, in all the circumstances, I am unable to find NatWest was at fault in allowing the transactions that took the balance on the account over £6,000. This spending was permitted under the terms and conditions of the account. I note the transactions were legitimate and that Mr G did not dispute them. Therefore I agree with the adjudicator in finding that as Mr G (or his wife) has had the benefit of the money spent it is fair and reasonable that the entire debt be repaid, not merely the £6,000 Mr G agrees was correctly allowed.

Turning to NatWest's handling of Mr G's complaint, I agree with the adjudicator in finding NatWest did not explain the situation sufficiently clearly and in providing confusing information, lengthened the complaint process. I consider the waiver of fees and interest and the additional card fee to be fair and reasonable in all the circumstances. However, I consider that given the amount owing and the time it has taken to resolve Mr G's complaint, it would be fair and reasonable for NatWest to allow Mr G the opportunity a reasonable additional period of time to repay the outstanding amount.

my final decision

My decision is that National Westminster Bank Plc, in full and final settlement of this complaint, should take the following steps:

- Refund all fees and interest incurred on the account between December 2012 and the date of settlement of this complaint;
- Refund the additional cardholder fee;
- Provide Mr G with three months from the date of settlement to repay the outstanding balance, and that over that period, waive all fees and interest that would otherwise apply to the outstanding balance.

Zoe Copley
ombudsman