Financial Ombudsman Service

complaint

Mr Y complains that because National Westminster Bank Plc (NatWest) didn't allow him to make a payment to a third party in time, he lost out on buying a vehicle for the original price – the vehicle having gone up in price in that time. He wants NatWest to pay him the amount the vehicle increased by as compensation.

background

Mr Y went to a NatWest branch to make a payment to a third party so that he could buy a vehicle. But NatWest said he couldn't make the payment because he didn't have his card with him. They said that instead he could do CHAPS transfer, but Mr Y didn't want to pay the fee for such a transfer.

NatWest then told Mr Y he could take the money to the third party's bank and make the payment there. When Mr Y got to the third party's bank, he was told that this wasn't possible. Mr Y then returned to NatWest. They advised Mr Y that there may be a scam going on and Mr Y said he would think about whether he wanted to continue with the transaction in that manner.

Eventually Mr Y made a payment to the seller to buy the vehicle through a third party payment system but the payment was returned as the seller had increased the price.

Mr Y thinks that NatWest should've been able to carry out the above transaction when he first went to them. He thinks that if they had, he would've been able to buy the vehicle for the original price quoted to him. So he thinks NatWest are responsible for the extra amount that the vehicle has now gone up by.

Our adjudicator didn't think Mr Y's complaint should be upheld because NatWest hadn't done anything wrong as they followed their process.

Mr Y didn't agree and the complaint has been passed to me to consider.

my findings

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

Having done that, I don't uphold Mr Y's complaint.

NatWest have given us a copy of the instructions that the staff in branch are expected to follow when carrying out a transaction to a third party as described above. This is called a "Branch Single Payment".

I can see from this that the first thing the staff have to do in order to process the request is identify the customer. The only way this can be done is by using the chip and pin/chip and signature method.

As Mr Y didn't have his card with him, his identity couldn't be verified. So I don't think NatWest are at fault in not processing the transaction.

I also note that NatWest provided Mr Y with alternative ways of making the payment. They advised Mr Y he could make a CHAPS payment or alternatively go to the third party's bank and make a cash payment. But Mr Y didn't want to pay the fee for the CHAPS payment and the third party's bank didn't accept the payment. I can't comment on why the third party's bank didn't accept the payment.

Mr Y made the payment to the seller a couple of days later through a third party payment method but this payment was refunded. So I can't see that Mr Y actually lost out financially. And because NatWest followed their correct procedures, I don't think it's fair to expect them to pay Mr Y the extra amount he would need to buy the vehicle at the new price.

Mr Y also complains that he thinks that the reason NatWest didn't allow the payment to go through was because they were concerned it was a scam. From what I've seen, I don't think this was the reason. As it seems to me that the only reason the payment wasn't allowed in the beginning was because Mr Y didn't have his card with him.

But even if the reason that NatWest didn't allow the payment to go through was because they thought it was a scam, there would be nothing wrong in them doing this in this particular case as I think they were trying to safeguard Mr Y's interests.

So I don't uphold Mr Y's complaint.

my final decision

For the reasons set above, I don't uphold Mr Y's complaint against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 18 February 2016.

Navneet Sher
ombudsman