

complaint

Mr P complains that National Westminster Bank Plc has registered his credit card for the 'Verified by Visa' security system without his knowledge and so prevented him from making an online payment with his card.

background

Mr P says that he tried to make a payment online using his NatWest credit card when a box popped up called 'Verified by Visa' asking him to put in specific letters from his password. He says that he hadn't heard of this system before and wasn't even sure it was genuine. So he wasn't able to complete his purchase. When he asked NatWest about it he was first told that his card had been frozen and then was wrongly told that the password would be the same as his online banking service. NatWest has offered to pay £50 for the inconvenience Mr P suffered.

The adjudicator felt that NatWest had provided Mr P with poor service by giving him confusing and incorrect information. But she thought the £50 it had now offered for the inconvenience this caused was fair. She also said that the 'Verified by Visa' system added an extra layer of security for online purchases and Mr P registered for this in 2015.

Mr P responded to say, in summary, that he didn't think £50 was enough to cover his losses and it wasn't appropriate for a bank to register its customer for a service provided by a third party.

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 understand Mr P's concerns when he received window asking for additional security information when he wasn't expecting it. I accept that he might have thought this may not have been genuine. But 'Verified by Visa' is an official Visa service that provides an extra layer of security for when shopping online. As the card issuer, NatWest supports this service. If an online retailer has signed up to the service then a customer is asked, before completing a transaction, if they want to register for the service. It is up to individual merchants and cardholders whether they use this service or not. If a cardholder chooses to do so, registration involves creating a password and a personal message, known only to the card holder. The personal message is shown every time the 'Verified by Visa' window appears to show that it is the genuine. And only specific digits from the password are requested, not the complete password.

I understand that NatWest also offers its cardholders the chance to register online through 'NatWest Secure' for both 'Verified by Visa' and 'MasterCard SecureCode'. The process is explained fully on both Visa's and NatWest's websites. Either way, the cardholder must complete the registration. A bank can't enrol its customer for this service, only the cardholder can do this. And the service isn't controlled by the banks.

Mr P has made it quite clear that he didn't know about the Visa service and he can't remember registering for it in 2015. Whilst I can't say with certainty exactly what happened, I'm satisfied his card was enrolled for the service in August 2015, perhaps in circumstances that Mr P can't now recall. As Mr P says he hasn't seen the Verified by Visa window before

the recent transaction, it may be that any online transactions he has completed since enrolment have been with retailers not signed up to use it.

I'm satisfied that Mr P wasn't able to complete his original transaction because he didn't enter a password at all. This meant that the amount was taken but, because he wasn't able to complete the additional level of security, the payment wasn't authorised so was immediately refunded to the same card by the online merchant.

For the reasons I have explained, I'm not persuaded that NatWest was responsible for the online payment verification process. But it has accepted that its standard of service, when Mr P asked about the Verified by Visa scheme, wasn't at a level that he should have been able to expect. It wrongly told him that his password would be the same as his online banking password. It has offered to pay £50 for the inconvenience this caused. I appreciate that Mr P doesn't think this is enough but, having regard for the full circumstances of this complaint, I consider it to be fair.

my final decision

My final decision is that I uphold this complaint in part. I require National Westminster Bank Plc to pay Mr P £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 July 2016.

Karen Wharton
ombudsman