

### **complaint**

C, a limited company, complains that National Westminster Bank Plc (NatWest) refused to stop a card payment even though the money was still in its account.

### **our initial conclusions**

C's director used the company's Visa debit card to make a payment. It then asked NatWest, on the next working day, to stop the payment but the bank said it couldn't.

The adjudicator didn't recommend that this complaint should be upheld. He said that NatWest hadn't made a mistake. Card payments are treated as guaranteed and can't be stopped even if the money is still in the account.

### **my final decision**

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

I understand that C thinks that the bank should have been able to stop the payment going through because the money was still in its account. I don't agree. The terms of C's business account are quite clear. Card transactions are normally debited on the day they are made or the next business day. Once made, the transaction can't be stopped. C made the point of sale debit card payment on a non-business day and so the payment was debited on the next working day. The money had been reserved to complete the transaction and it was simply showing as pending until it could be debited on the next working day. If C had made the payment on a working day then, in all likelihood, it would have been debited to the account straight away.

C suggests that banks shouldn't be allowed to have a system so that debit card payments can't be stopped. All card payments in the UK are treated as guaranteed payments, like cash, so that retailers or suppliers know they have been paid before they release goods or provide a service.

**My final decision is that I don't uphold this complaint.**

**Under the rules of the Financial Ombudsman Service, I am required to ask C either to accept or reject my decision before 9 November 2015.**

*Karen Wharton*

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

If C no longer needed to make the payment, it could ask the payee to refund the money.

I am not a regulator and so I can't require a bank to change its overall policies or systems.

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.