

complaint

Mrs M complains that National Westminster Bank Plc (NatWest) gave a third party information about a bond she held without her consent.

background

Mrs M held a fixed rate bond (FRB) with NatWest since 2012. In 2016 NatWest received a court order asking it to provide information about Mrs M's assets. It wrote to Mrs M to tell her about this. It said that under the terms of the order it was required to make a payment to the court from her FRB. If it did this she would incur a penalty. NatWest asked Mrs M if she wanted to provide authority to make the payment from a different account to prevent the penalty. She didn't provide any instructions so NatWest paid the money from the FRB.

Mrs M says NatWest was wrong to do this because all her accounts were in joint names and the FRB isn't a typical bank account. She doesn't think NatWest shouldn't have told the court about it. She wants the interest from the date the bond was closed to be repaid to her.

The adjudicator didn't think NatWest had done anything wrong. It was issued with a court order and had a legal obligation to abide by the order.

Mrs M responded to say, in summary, that she had invested her money in a Fixed Rate Bond and this is what her investment certificate said. At no point was the bond referred to as a savings account, so NatWest shouldn't have told the court about it.

my findings

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

Mrs M is quite clear that she doesn't think that NatWest should have told the court about her FRB at all. She says that this wasn't a savings account but a loan from her to NatWest, so an investment. The certificate she has shows very clearly that it is a bond and so NatWest should only have told the court about any accounts she held in her sole name.

I can understand her concern as there is often some confusion about the term 'bond', which tends to be used interchangeably with a fixed rate savings account. It seems that Mrs M is suggesting her deposit was, in fact, a corporate bond because she says she loaned the money to NatWest in return for a fixed rate of interest. But corporate bonds are usually issued by companies wanting to raise capital and are seen as a riskier type of investment than savings accounts. For that reason, they offer higher rates of interest.

Mrs M's bond certificate is headed *Certificate of Deposit*. I consider this to be a savings certificate. The FRB offered a rate of interest that, although was slightly higher than an instant access savings account, was still comparable to other savings accounts. In the circumstances, I'm satisfied that Mrs M's deposit wasn't an investment bond. I find that her FRB was a cash savings account that offered a fixed rate of interest for a set period, as is commonly offered by banks and building societies.

It follows that I'm satisfied that NatWest didn't make any mistake in providing information about her FRB to the court under the order and then paying out the money. And, under the terms of the FRB, NatWest was entitled to charge a penalty.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 14 October 2016.

Karen Wharton
ombudsman