

The complaint

Miss F has complained National Westminster Bank plc won't refund £1,980 worth of cash machine withdrawals made from her account.

What happened

Whilst she was abroad in March 2023, Miss F switched her bank account to NatWest. A new card and PIN were sent to her home address. Miss F found she was subsequently blocked from accessing her account in April. She discovered there had been numerous cash machine withdrawals made over 8 days amounting to £1,980 which was practically all the money in her account.

She asked NatWest to refund her as she'd not made these transactions herself. NatWest reviewed what had happened but overall didn't see this as matching known fraud patterns. They wouldn't refund Miss F. They subsequently wrote to Miss F that they had decided to close her account.

Miss F was unhappy and brought her complaint to the ombudsman service.

Our investigator didn't believe that this had the hallmarks of third-party fraud so wouldn't ask NatWest to refund Miss F.

Still unhappy, Miss F brought our attention to various requirements under the Payment Services Regulations 2017. She asked an ombudsman to consider these factors when making a decision on her complaint.

What I've decided – and why

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

Having done so, I've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Miss F's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves.

I'm aware that Miss F had been out of the country when she switched accounts and knew that she wouldn't be around when her new card and PIN were sent to her. NatWest's records show Miss F's new debit card and PIN were sent separately to Miss F's UK home

address, where she lives with her husband. She's also confirmed her husband would most have likely been there when both items were delivered in March 2023.

I say this because the chance of both items being lost (or intercepted) in the post is too high for this to be what I believe happened here.

What I do know from NatWest's audit records is:

- All of the cash withdrawals were properly authenticated in line with the requirements of the PSRs. I'm in no doubt the genuine card and PIN were used.
- The PIN was changed on 26 March. There is no reason why an unknown third-party would change the PIN if they'd intercepted both the card and PIN as this would be an unnecessary step for them to take.
- Funds were only credited to Miss F's account from her old account on 29 March.
- A balance enquiry was made using Miss F's new debit card and changed PIN on 30 March. This suggests to me that someone was expecting funds to be received into the account. An unknown third-party would most likely have used the debit card and PIN to try and make withdrawals or purchases as soon as this fell into their hands. There's also no way an unknown third-party would have known the account was empty at the time the card and PIN were being sent and would have checked this immediately on receipt.
- The first cash machine withdrawal was made on 31 March. A fraudster would have – at the very least – tried to make a withdrawal on 30 March when they knew what funds existed in the account.
- Cash machine withdrawals then took place over the forthcoming week until practically all funds had been used.

I can appreciate why Miss F has asked why NatWest seemed to reject her fraud claim just because they didn't believe the usage of her card and PIN reflected what they see when an unknown fraudster is involved. I'm always wary of suggesting there are known fraud patterns which dictate how we view disputed transactions. However what I can't dispute is that whoever had access to Miss F's card and PIN didn't expect Miss F to notice what was going on or feel the need to rush and take out as much money as quickly as possible. There were also no attempted transactions to purchase any goods.

Miss F has also wondered why NatWest was only alerted after the cash was withdrawn. Actually from what I can see, it was the attempt to log onto the account from an overseas location on 11 April which led to the account being blocked, rather than the cash withdrawals themselves.

Separately Miss F has asked why NatWest didn't assist the police investigation. I'm sure they would have done if requested to by the police but as far as I know Miss F notified Action Fraud of the disputed cash machine withdrawals. I'm not convinced there was an active police investigation, as this wouldn't be the norm in these cases.

I can confirm that I have considered the PSRs when reviewing these disputed withdrawals. Miss F is correct that both authentication and consent are required for transactions to be authorised. I also note Miss F has told us she didn't consent to the transactions.

Overall and based on the evidence, I think Miss F authorised the transactions most likely by

allowing someone else to use her card. I won't be asking NatWest to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Miss F's complaint against National Westminster Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 3 November 2023.

Sandra Quinn
Ombudsman