

The complaint

Mr D, represented by Miss D, says that further checks should have taken place before he was allowed to spend large amounts by transferring money from his savings account to his current account.

What happened

Mr D, who is a minor, had a Natwest savings account opened in his name and money was placed into this. In February 2022, Mr D opened a current account with NatWest. His application was co-signed by his parent. Miss D says that Mr D was pressured into having online/mobile banking. This was set up and Mr D was then able to see the amount of money he had in his savings account. Miss D says that without mobile banking he wouldn't have been aware of this. Mr D then made several transfers from his savings account to his current account and then spent the money. Miss D says that the accounts should have been monitored, that Mr D has learning difficulties, and he shouldn't have been able to move around £40,000 from his savings account.

NatWest said it had no record of Mr D's learning difficulties and said that another holder of Mr D's account could download the mobile app and make an account alert which could assist in monitoring the account usage. It said that certain transactions had been flagged by its security alerts but when contacted, Mr D had confirmed the transactions as genuine. It didn't accept that there had been any bank error in this case.

Our investigator didn't uphold this complaint. He said there was no evidence that Mr D had been pressured into downloading the mobile application and that there was an option for Miss D to link her son's accounts to her online banking service to enable her to monitor his accounts. He said that NatWest's systems had nothing recorded in regard to Mr D's learning difficulties. He said that NatWest had a responsibility to monitor all transactions to assess whether there is unusual activity, but that Mr D was accessing and spending his money and it wasn't for the bank to say what he could and couldn't spend his money on.

Miss D, acting on behalf of Mr D didn't agree with our investigator's view. She didn't think that NatWest had acted with a duty of care in regard to Mr D's accounts.

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.

I am sorry to hear of the events that have given rise to this complaint, and I can appreciate how upsetting it is for Miss D that such a large amount of money has been able to be spent by her son. But for me to uphold this complaint I would need to be able to say that NatWest had done something wrong, and, in this case, I do not find I can.

In February 2022, Mr D applied for a NatWest current account which came with a debit card. As Mr D was under 16 years old his application was co-signed by a parent. In this application Miss D has signed the section which states:

'I acknowledge that the applicant named in section 1 (Mr D) is applying for an Adapt account and, if this application is successful, the applicant may be issued with a debit card which they can use to:

i. Withdraw cash at ATMs; and

ii. Pay for goods and services purchased from retailers or suppliers of services.'

There is nothing to suggest that there were any issues with the account being set up or that Miss D wasn't aware that Mr D would have access to the funds in the account. The issue that has arisen is that Mr D transferred money from a savings account in his name into his current account. Miss D says Mr D was pressured into having the mobile / online banking application and when he got this, he became aware of the funds in the savings account that had been set up several years earlier.

While I understand the point Miss D has made, I have nothing to suggest that Mr D was pressured into having online/mobile banking. Also, as I understand the savings account was in Mr D's name, I cannot say that NatWest did anything wrong by having this account listed in Mr D's online set up. The savings account is an instant access account. We asked for further details about the savings account and NatWest said that transfers could be made to other accounts citing the following information *'Funds transfer available via online, mobile or telephony to another account held in the customers name held within the same brand.'* Further information was then provided which showed the account was opened in Mr D's name and that he was the person with authority to give instruction on the account.

Based on the above, I do not find that I can say NatWest did anything wrong by allowing Mr D to transfer money between his savings account and current account and then spend from his current account.

Miss D has said that NatWest had a duty of care in regard to the transactions being made. I agree that NatWest has a duty of care towards its customers and is required to have systems in place to protect against issues such as fraud. In this case certain transactions made by Mr D were flagged by NatWest's security systems and Mr D was contacted about these. But as Mr D confirmed the transactions as genuine these were actioned. I note the comments Miss D has made about Mr D's learning difficulties but as NatWest hadn't a record of these at the time, I do not find it was required to put any additional measures in place.

Overall, this is a very upsetting case, but I do not find I can say that NatWest did anything wrong. Therefore, I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 September 2023.

Jane Archer
Ombudsman