

The complaint

Mr S complains that National Westminster Bank Plc hasn't secured his account properly as payments he didn't agree to have repeatedly debited his account.

What happened

In February 2023 Mr S informed NatWest that he didn't recognise a transaction of £5.99 to Uber *Pass on his account. NatWest refunded this payment and replaced Mr S' card. However, the same amount debited Mr S' account the next month.

NatWest says this was because it is a subscription and so this can continue to be taken even though it replaced Mr S' card and removed all links to the merchant from his account. It advised Mr S to contact Uber directly and later raised a retail dispute in an effort to prevent further payments.

Mr S explained payments continued to be taken, he also complained about several customer service issues he experienced throughout the process of reporting the disputed payments and trying to prevent more from taking place. In April 2023, NatWest accepted that it had provided poor service and paid Mr S £125 compensation.

When Mr S referred his complaint to our service, NatWest increased its offer of compensation and paid him a further £100, it also confirmed it had reimbursed the disputed payments. It suggested replacing Mr S' card again alongside replacing his PIN.

The investigator let Mr S know they thought NatWest's offer was fair in the circumstances.

Mr S didn't agree, he said NatWest hadn't taken responsibility for the issue persisting or the ongoing inconvenience this caused him. Mr S was concerned that NatWest still couldn't guarantee more unauthorised payments wouldn't go out.

The matter was passed to me for consideration by an ombudsman and I issued my provisional decision on 27 March 2024. Here I explained why I thought NatWest had done enough to put matters right.

NatWest didn't respond, and Mr S didn't agree with my provisional decision. Mr S emphasised that he had made it clear to NatWest that the problem persisted after his card was replaced. He said he questioned why more wasn't being done to properly investigate the matter as fraud and remove all links to the merchant sooner. Mr S reiterated he had experienced very poor customer service and spent hours dealing with this issue, so he didn't think NatWest had done enough to put matters right. Mr S says there have been repeated breaches in his account's security and he wants evidence of how it had happened and proof that his account is now safe.

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, including considering Mr S' further comments, I think NatWest has done enough to put matters right. I'll explain why.

The disputed transactions

Having reviewed Mr S' bank statements I can see that between February and June 2023 five payments were made to Uber *Pass – these appear to be for a membership that Uber offers.

Mr S says he didn't sign up to this and when he contacted Uber about it, he was told this wasn't linked to his account.

There's no suggestion here (or evidence to support) that Mr S did sign up to this membership and therefore that he set up a continuous payment authority (CPA) – so the starting point is that these payments are unauthorised, and Mr S is entitled to a refund under the relevant law (The Payment Services Regulations 2017).

When Mr S first reported the issue to NatWest it treated it as a fraud claim. It reimbursed the payment and replaced his card. After the payments continued NatWest also raised a retailer dispute.

NatWest has provided a refund for all five payments and so Mr S has no outstanding financial loss as a result of these payments taking place.

However, Mr S was also concerned about how these payments were possible, what this meant for the security of his account, and whether further payments would be taken.

Unfortunately, we don't know how a third party obtained Mr S' information to set up the payments. I haven't seen anything to suggest this was a result of an error by NatWest.

NatWest has said that the issue it's had preventing the disputed payments is that they are in relation to a subscription. But under the relevant law, NatWest is expected to stop a payment if they are told in advance that the customer doesn't authorise it. So, NatWest ought to have done more to prevent the further payments. I appreciate that due to the nature of CPA's in practice this more challenging than cancelling a direct debit or standing order. But the payments were for the same amount, to the same merchant, at similar times of the month.

So, I think it ought to have done more to identify and prevent them.

I note that the payments appear to have now stopped and that the last one took place in June 2023. And given the disputed transactions are all linked to one CPA, there's no indication that Mr S' account has been compromised or that it isn't secure. Unfortunately, there is no way to 'prove' Mr S's account is secure. As I've said, there's no indication that the payments were possible due to a breach in NatWest's security, rather a third party appears to have obtained the information needed to set up a CPA with a legitimate merchant.

Our service isn't a regulator, and it isn't our role to penalise businesses or set their processes. Rather we consider the impact any errors have had on the customer in the circumstances and can make an award in relation to this. I'll come on to what this means for Mr S later in this decision.

Other customer service issues

In addition to the frustration and worry Mr S experienced in relation to the above issue not being resolved, Mr S has raised several customer service issues. Both parties are familiar with Mr S' concerns so I'll briefly summarise them. This included Mr S spending hours

dealing with this issue including long call waiting times, he's described a lack of empathy from NatWest staff, being transferred between multiple departments and needing to repeat himself, being referred back to the merchant, multiple replacement cards, a lack of internal communication at NatWest, and receiving poor quality of information from NatWest.

What Mr S has described isn't in dispute and NatWest has accepted these errors and so I've taken this at face value and won't go into each point in detail. I've considered what Mr S has described and agree this would have added to the stress and worry he experienced.

I've considered the service Mr S received as a whole, including NatWest allowing further payments, the confusion and concern this must have caused Mr S, and the customer service issues linked to the payments that Mr S has described (as set out above).

Having done so, I think the £225 compensation NatWest has already paid Mr S is a fair way to recognise the impact its errors have had on Mr S. And so, I don't currently think it needs to do anything further to put matters right in the circumstances. This amount reflects multiple smaller errors and is proportionate to the impact Mr S has described, in line with our published examples and compensation ranges.

My final decision

My final decision is that I uphold this complaint – as National Westminster Bank Plc has now paid the amount of £225 to Mr S, it doesn't need to do anything further in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 June 2024.

Stephanie Mitchell
Ombudsman