

## The complaint

Mr A complained because National Westminster Bank Plc initially refused to refund him for transactions which he said he hadn't authorised. He was also unhappy about the service he'd received, and he wasn't satisfied with the £600 compensation which NatWest paid him.

## What happened

Mr A contacted NatWest on 27 February 2023 about transactions that day which he said he didn't make. The transactions he disputed were for £950, £900, £1,800, £1,500 and £3,500. The last two of these had involved transactions from accounts in Mr A's own name, to other accounts in Mr A's name, also with NatWest.

Mr A rang again on 28 February and was told that his claim had been declined. NatWest confirmed this in writing, saying that Mr A's correct PIN had been entered at the first attempt. So whoever carried out the transactions knew Mr A's PIN. NatWest also said that it hadn't seen any of the typical fraud patterns on his account which it would expect to see. So it didn't uphold Mr A's complaint, and advised him to change his PIN and not to disclose it to anyone. It pointed out that the account terms and conditions said that customers had to keep their card secure at all times and not disclose their PIN.

Mr A complained. He rang on 1 March, asking why NatWest hadn't looked at CCTV at the branches where the transactions had taken place. The adviser said that this would have to be done through the police, and Mr A said he'd contacted Action Fraud. NatWest said that Mr A would need to get Action Fraud's confirmation that it had retrieved the CCTV footage, and he should then get in touch again. Mr A also asked why a second card had been issued on the account, because this was the card on which the transactions had been carried out, but the adviser said she couldn't see why a replacement card had been sent out.

On 2 March, NatWest accepted that some transactions had been fraudulent and it refunded Mr A for the £1,800 transaction. It also refunded the £900 and £950 transactions, totalling £1,850, on 3 March.

On 3 March, NatWest issued its final response letter. Mr A had raised seven points and NatWest replied that:

- It upheld his complaint about NatWest declining his claim, and said it had refunded him. It said, however, that if he raised a claim of fraud in future, the same decision might not be made;
- It didn't agree that the NatWest branches had allowed funds to be withdrawn without identification, because the transactions had been carried out using chip and PIN, and a driving licence;
- It upheld his complaint that NatWest had ordered a new card leaving his current card as active; that there had been a poor attitude from one of the fraud agents; and he'd been given incorrect information when he'd been told there could be multiple cards on an account;
- It didn't agree that Mr A hadn't receive a text alert when a new card had been issued, and said a text was sent on the day the card was dispatched to Mr A's registered address, but the text had been recorded as "delivery failed" despite being sent to Mr

A's correct mobile number. It suggested Mr A should contact his mobile provider. NatWest also explained that the person making the transaction, with the card and driving licence, had made an appointment to see the branch manager, and said that the fraudster would have agreed to this offer in order to avoid suspicion.

NatWest apologised for the elements of Mr A's complaint which it had upheld, and paid him £600 compensation.

Mr A wasn't satisfied. He sent a long reply to NatWest. His points included pointing out that the transactions had taken place at multiple branches which were around 160 miles from his registered home address, which he said should have been flagged. He wanted to know what action would be taken against the fraud investigator who initially dismissed his claim, and wanted to know what security precautions NatWest would implement from this incident. Mr A said he didn't feel £600 was a reflection of the impact this had had on him.

Mr A contacted this service.

Our investigator didn't uphold Mr A's complaint. He recognised that Mr A had been without his funds for four days, and that he'd been given incorrect information about whether an account could have two active cards at once. But he considered that £600 fairly reflected Mr A's distress and inconvenience, and explained that it was in line with our approach to this type of complaint.

Mr A didn't agree. He exchanged several emails with the investigator. Mr A disagreed with the amounts in dispute, saying that £12,100 had been taken from his accounts, and the refunds had taken longer than four days, being taken on 27 February and refunded on 9 March. The investigator sent Mr A copies of the statements we'd been given which backed up the investigator's figures. But Mr A said there were other accounts from which money had been taken. He said that if £600 was fair compensation for £3,650 of disputed transactions, it couldn't be fair if the disputed transactions totalled £12,100. Mr A's complaint was referred to me for an ombudsman's decision.

### **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.

First, I'll clarify the amounts which this decision covers, because Mr A's response to the investigator's view was that the amount in dispute was £12,100, not the figures given in the investigator's view.

The evidence which I've seen shows that the disputed transactions were, as I've set out above, for £950, £900, £1,800, £1,500 and £3,500. The last two of these involved transactions from accounts in Mr A's own name, to other accounts in Mr A's name, also with NatWest. As the money was moved to other accounts in Mr A's name, there was no financial loss.

I'm aware that even including the last two of these, the total is different from Mr A's figure of £12,100. But this service can only consider issues which consumers have previously raised with the financial business, to give it a chance to sort things out before bringing a complaint to us. Here, in fact, the 3 March final response letter relates only to the first two transactions, totalling £1,850. But I've considered the five transactions I've listed above.

It would be very unusual for a third party fraudster to move money to another account in the customer's name. But in any case, as there was no financial loss to Mr A for those

transactions, the relevant disputed transactions which I've considered in this decision are those for £950, £900 and £1,800.

As the transactions have been refunded, the issue for me to consider isn't about liability for the disputed transactions, but whether NatWest's £600 compensation is fair and reasonable, or whether it should pay Mr A more for distress and inconvenience.

Fraud always causes considerable upset and worry and inconvenience to those affected, and Mr A has described how he went through an ordeal mentally and emotionally, and had to take days off work to try to sort out the mess, including visits to his local branch. In these situations, the main responsibility for distress and inconvenience lies with the fraudster, though unfortunately they can't be traced to provide compensation. But I have considered what distress and inconvenience could be attributed to NatWest, as opposed to the unknown fraudster.

- NatWest initially rejected Mr A's 27 February claim that transactions had been fraudulent. It reviewed this and changed its mind within a few days, starting the refunds on 2 March, but I accept that even those few days would have been upsetting for Mr A.
- NatWest also gave Mr A incorrect information about having multiple cards on one account. It also isn't clear to me why a second card was issued on Mr A's account. Apart from renewals, this normally only happens if an account holder requests a replacement, for example online. Here, Mr A said he didn't request the card. It's not clear, from the evidence I have, why a second card was issued but Mr A's original card wasn't cancelled. NatWest hasn't been able to provide evidence about how this second card was ordered, so I can't tell whether Mr A's online banking had been compromised, or how else this had happened. In the absence of such technical evidence, I find that NatWest shouldn't have issued the second card, at least without stopping Mr A's existing card. If Mr A's online banking had been compromised and that's how the second card was ordered, stopping Mr A's existing card would have alerted him as soon as he next tried to use it. Here, however, Mr A became aware of the disputed transactions very promptly – on the day they took place. So failing to stop Mr A's existing card didn't in practice make any difference to the speed with which the disputed transactions were blocked.
- I've listened to the call recordings provided, and I agree that one of the call handlers didn't provide the service which NatWest would expect from its call handlers. Mr A told NatWest that he wanted to know what actions would be taken against that employee. I've taken the poor service into account in deciding compensation, but I don't require NatWest to inform Mr A about any actions it may have taken in regard to that employee.
- Mr A also told NatWest that he wanted to know what security precautions NatWest would take from the incident. Banks don't have to disclose their security measures, and in any case doing so would lessen the security, so I don't require NatWest to inform Mr A about this.

Taking all these factors into account, I consider that £600 compensation is fair and reasonable for NatWest to pay Mr A. It has already paid this to him, so I do not uphold Mr A's claim for a higher amount of compensation.

### **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 A to accept or reject my decision before 3 October 2023.

Belinda Knight  
**Ombudsman**