

The complaint

Miss G complains that National Westminster Bank Plc has a technical error which causes her to enter an unarranged overdraft, and this impacts her day to day living.

What happened

Miss G says that NatWest has a technical fault which sometimes causes her account to enter an unarranged overdraft. This impacts her as she is then unable to pay for things like electricity. She is also unable to pay for public transport when this happens which is crucial for her and her family. Miss G tried to ring NatWest about this, and she says the line went dead twice. She tried to contact their social media team, but they weren't able to assist her, and neither was a branch member of staff. Miss G says she has been passed to different departments on the phone without any success and the web chats locked her out after 25 minutes. Miss G made a complaint to NatWest.

NatWest upheld Miss G's complaint and paid £150 into her account. They said there does appear to have been an error with the available balance of her account when she made two mobile application (app) transfers of £100 and £10 to her savings account. As she had made point of sale payments the day before and these had been authorised, they should have shown as pending, and reduced the available funds to £73.50 instead of £110.00. NatWest said it was clear that they should have been more supportive of Miss G, and they had shared her poor experience with senior managers in their customer care team to take forward as a service improvement, and they gave her a telephone number for their customer support team. Miss G brought her complaint to our service. She said the same issue happened again the month after NatWest's final response to her complaint.

Our investigator did not uphold Miss G's complaint. She said it appears that there is a technical issue with the mobile banking app. This resulted in some pending transactions not being reflected correctly in the available balance. The technical fault has been reported and is under investigation. She said this appears to still be under investigation, and they are in the process of finding a fix. She said although Miss G has had issues moving money from the savings account across to her account, NatWest were unable to find what had caused this. Our investigator said NatWest had investigated the matter, escalated matters to the technical team and provided feedback, and the compensation of £150 was in line with what our service would suggest. Miss G asked for an ombudsman to review her complaint as she did not believe the compensation was sufficient for what she had went through.

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.

NatWest have identified that there is a technical issue which means that when Miss G makes a purchase with her card, this sometimes doesn't show as a pending transaction and her available balance appears to be higher than what it should display. So if Miss G moves some of this money for example to transfer this to her savings account, then when the

purchase actually fully debits her account, this may place her in an unarranged overdraft. So I can understand why this would be distressing for Miss G.

NatWest are trying to develop a fix for this, but they are unable to give a timeframe for when this would be completed by, which again would be disappointing for Miss G as she would need to keep a separate list of what she's used the card for and what her balance is, then manually adjust this, which can be very difficult to accurately keep track of especially if she uses the card frequently, so it isn't an ideal solution. Unfortunately, our service has no remit over NatWest's systems, so we are unable to instruct NatWest to change their systems or how they should implement the changes and in what timeframe, although we would hope that NatWest would realise the impact that this has on Miss G and look to complete the fix as soon as possible.

I'm aware that because of the technical issue, Miss G has continued at times to enter an unarranged overdraft. As NatWest are working on a fix, this may continue until the fix is fully implemented. I can see from Miss G's statements that she is usually in an unarranged overdraft for 1-3 days (after the September incident), and then she usually transfers money from another account to bring her account out of an unarranged overdraft.

I've read what Miss G has said about the impact of what has happened to her when her account goes into the unarranged overdraft. This is sometimes compounded if she is unable to use the app to transfer any savings she may have. NatWest have admitted that they should have been more supportive of Miss G. It's clear Miss G has tried a number of avenues from using the web chat, to phoning NatWest, to visiting a branch, to contacting their social media team, but often she hasn't had the assistance that NatWest ought to have provided here.

So I've considered what would be a fair outcome for this complaint. I know Miss G feels the compensation isn't enough based on the impact that the technical error has had on her. But I must make Miss G aware that our awards for compensation aren't designed to punish a business. I'm persuaded that £150 is fair for what has happened. I say this as it recognises that Miss G has not only been distressed by what has happened, as she has been unable to pay for things like electricity and public transport, but she has also been inconvenienced by having to try a number of different channels to get support from NatWest.

Miss G often needs to transfer money from another account so she is no longer in an unarranged overdraft, and the experience must be frustrating for her. But the compensation that Miss G received would be in line with what I would have awarded her if NatWest did not uphold her complaint. So as NatWest have already paid her this, it follows I do not require NatWest to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 23 October 2023.

Gregory Sloanes
Ombudsman