

The complaint

S, a limited company, complains that National Westminster Bank Plc didn't recover a payment made in error.

What happened

S contacted NatWest to explain that a payment for £2,820 it made on 11 August 2022 had been sent to the wrong account at another bank. It is unhappy that NatWest hasn't recovered the payment and says it has had to make it again.

NatWest said that it had tried to recall the payment. But that the receiving bank told it that this wasn't possible. The only reason it had been given was due to sensitivity on the account. It accepts it wrongly told S that it hadn't attempted to recall the payment due to a systems error. But it had made the recall request on 12 August 2022 and couldn't make this again.

Our investigator recommended that the complaint be upheld in part and S be paid £150 for the service issues. NatWest agreed to pay this. S hadn't been told the outcome promptly and wrongly thought that the claim hadn't been dealt with correctly. The outcome hadn't been affected. She had contacted the receiving bank to see if any more clarity about what had happened could be provided but there was no further information.

S didn't agree and wanted its complaint to be reviewed. The compensation for the service issues was fine but it wanted its money back too. And for further efforts to be made to achieve this. It said that the receiving bank should give further information about what happened to the money.

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.

There is industry guidance about dealing with a 'misdirected' payment like this. NatWest is expected to make reasonable efforts to recover the money once it is alerted to the error. And it should be refunded by the receiving bank if it is still available, and the actual recipient doesn't dispute what happened. There is no guarantee that this will be successful.

I'm satisfied that NatWest followed the appropriate process here to attempt to recover the money. It wasn't able to and with a delay it told S what the receiving bank has said. I note that the director of S discussed with NatWest what he thought had happened to the account and payee involved but none of that information came from or could be confirmed by NatWest to him.

NatWest had exhausted its process. But unfortunately, it initially gave S incorrect information about that. Our investigator has since asked the receiving bank if it has any further information. She's not had a response and that bank isn't a party to this complaint.

I appreciate what S says about the loss, but I'm afraid that this loss isn't due to any error by NatWest. And as a result, it's not something we are going to be able to assist with in a complaint about NatWest. I consider that the compensation for the service issues is reasonable.

My final decision

My decision is that I uphold this complaint in part, and I require National Westminster Bank Plc to pay S £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 16 August 2023.

Michael Crewe
Ombudsman