

## **The complaint**

T, a company, complains that National Westminster Bank Plc prevented it from making international payments and cancelled its card.

## **What happened**

T had an account with NatWest. In 2021, its director, who I'll call D, travelled abroad on business. D wanted to make a payment of €4,000 to a supplier – and tried to do this using the NatWest app. But this didn't work. D then contacted NatWest to see if he could arrange the payment over the phone. D says this wasn't possible either. As a result, D says it had to make the payment using cash he'd taken with him for travel expenses – and needed to withdraw further cash at an ATM.

A couple of months later, D was travelling again. He wanted to make a further payment. But, again, the app didn't work. D tried to activate the app – but says NatWest wanted to send a verification code by post. D asked again if he could arrange the payment by phone, but was told he couldn't.

A few days later, T's debit card was declined by a hotel D was staying at. D contacted NatWest and was told it couldn't reactivate the card. D says he was stuck abroad with no access to T's account – and wasn't able to transfer funds from T to D's account either. D says he had to borrow money to survive.

On his return to the UK, D went to the branch and ordered a new debit card. After this didn't arrive, D returned to the branch a second time and ordered a new card again. This didn't arrive either. D then called NatWest who sent him application forms for a new card.

Dissatisfied, T complained to NatWest.

NatWest looked at this. It said it had in fact decided to close T's accounts with NatWest – and that it cancelled the card as part of this process. It said it was sorry that it hadn't explained this properly – and offered to pay T £250. T then referred the complaint to us. Our investigator looked at the complaint. She thought that what NatWest had offered was fair.

T didn't agree. T reckons that it has lost in the region of €10,000 in deposits and expenses – and had also lost projected income from contracts.

As the investigator couldn't resolve matters informally, the complaint has been referred to me to decide.

## **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.

Based on what I've seen, I think the compensation NatWest has offered is fair. I'll explain why.

Where I decide, or a business agrees, that a complaint should be upheld, any award I'd make is intended to put the complainant as far as possible in the position they'd be in if things had happened as they should have done. And although I can award compensation for distress or inconvenience the business's actions caused, this isn't to punish the business but to reflect the impact of its actions.

In this case the complainant is T. T is a limited company – and so is a separate legal entity from its director. And so while I don't doubt that D has had a difficult time personally, this isn't something I can compensate D for. I can, however, consider the impact NatWest's actions had on T.

I've first considered the difficulty T had transferring funds when D travelled abroad in June and August 2021. NatWest has said this was because T wasn't registered for online or telephone banking. This meant T couldn't send payments using the app or over the phone – and meant T would instead need to arrange these transfers in branch. Based on what I've seen, it appears T began the process to sign up for online banking – requesting an online activation code – in May 2021. But T doesn't appear to have completed the process. T ordered a further code in August 2021, but this had to be delivered to T's UK address. So T wasn't able to complete the process at this time either.

With all this in mind, while I accept that being unable to make these payments was inconvenient, I can't say NatWest has done anything wrong here. I note that T was able to make the first set of payments by withdrawing cash from an ATM. I'm mindful that at the time T tried to make the second set of payments, D was already aware that he needed to register for online or telephone banking to make payments from abroad. T had some responsibility to check the account was set up to make payments remotely before D travelled on business for a second time. This isn't something I can fairly hold NatWest responsible for. So I'm not going to tell NatWest to repay the additional travel costs T has mentioned or pay compensation for the contracts T says it lost.

I've next turned to the cancellation of T's debit card. NatWest says this followed its decision to close T's accounts – at that point, NatWest cancelled T's card. NatWest accepts that the card was cancelled sooner than it should have been. NatWest then tried to let T order new debit cards three times. It was only after T complained that NatWest explained that it wasn't in fact able to issue a new card – and I note NatWest didn't in fact give T formal notice that it was closing its accounts until November 2021. And so I accept that NatWest did something wrong here – and that caused T inconvenience. NatWest has offered to pay T £250. T thinks it should get more.

I've thought about this. Given what NatWest has said, I'm satisfied that it had decided to close T's account at the point it cancelled the card, even if it didn't explain this to T until much later. So if things had happened as they should have done much of the inconvenience that followed – such as needing to open new accounts and rearrange T's finances – would have happened anyway. It's also not clear why NatWest closed T's account – we've asked NatWest for details of this, but NatWest hasn't provided it. The terms and conditions said that to close an account NatWest would normally need to give 60 days' notice. Here, though, T's account remained open for some time – even if, because of the cancellation of the card, T had difficulties making some payments from the account.

I've therefore considered what NatWest needs to do to put things right.

As I've said, I can only compensate T for the impact NatWest's actions had on it. I cannot compensate D. And though I accept D might have experienced distress because of what happened, T, as a limited company, can't experience distress.

We've asked T for information about the impact losing access to the card had on its business. In particular, we've asked to see details of contracts and payment terms. T says these contracts were arranged informally, through instance messaging, and so aside from some chat messages T hasn't been able to provide much further detail of the lost contracts.

I further note that T had access to a business credit card, which allowed it to pay some business expenses during the period it lacked access to the debit card – and that the direct debits for the credit card continued to be taken from T's business account. This would have allowed T to mitigate the impact NatWest's actions had on it.

I note T's comments about the additional spending it had to make while D was abroad. I'm not persuaded T wouldn't have occurred much of this additional expense in any event, given what I've said above.

With all this in mind, while I accept that what NatWest did caused T some inconvenience, I'm not persuaded to award more than the £250 it has already offered.

### **My final decision**

For the reasons above, my final decision is that National Westminster Bank Plc has offered fair compensation for the impact of its actions. It should now pay £250 to T if it hasn't already. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 23 August 2023.

Rebecca Hardman  
**Ombudsman**