

The complaint

Mr T complains that National Westminster Bank Plc hasn't provided him with the service it should have.

What happened

Mr T moved away from the UK and kept his NatWest bank account. He says his preferences were set to receive correspondence by post and that the post went to his parent's house. In late 2019, he received his online banking password and was told he needed a new bank card (as the old one had expired) but that as post sent to him had been returned, he would need to collect the bank card from his UK branch. He says he explained he couldn't visit a branch due to not living in the UK and says he asked for his bank card to be sent to his new residential address, but this wasn't possible without access to online banking or going to a branch. He says he didn't realise that his account statements had stopped being sent but as the account was effectively dormant this didn't raise concerns. However, Mr T then came across an email from NatWest about account charges and he realised that his UK account was overdrawn. He contacted NatWest and was told that a standing order had been leaving his account which had resulted in the account becoming overdrawn and interest being applied. The standing order was cancelled but NatWest didn't agree to remove the interest and charges. Mr T says this is unfair as had he known sooner about this issue, he would have taken action, but he had no way of knowing the status of his account. He says he has asked for the account to be closed but NatWest has refused.

Mr T also said that there was a data breach by NatWest in the course of his complaint and it sent his compensation to the NatWest account which means he doesn't get the compensation for this breach.

NatWest sent final response letters addressing the issues Mr T had raised. It explained that a direct debit was set up to leave Mr T's account and so it was acting on Mr T's instructions by allowing this payment. It said this had now been cancelled. It said it had tried to call Mr T to discuss why he believed the interest had been charged incorrectly but it had been unable to reach him. Regarding Mr T's online account access, NatWest said that the account was active, but it needed further security. NatWest said that as there was a return to branch marker on Mr T's account, he would need to collect a new card from branch. It said if Mr T contacted it to say which branch he wished to collect from this could be arranged or if he confirmed his address the marker could be removed and the debit card sent to his home address. NatWest said it was unable to close Mr T's account while there was an outstanding balance.

In regard to Mr T not receiving statements for his account it said that Mr T was set up to receive these in his online banking mailbox. While it noted Mr T didn't have access to his online account it said the statements had been provided.

Our investigator didn't uphold this complaint. She noted that Mr T had authorised the direct debit from his account which had resulted in his account becoming overdrawn. She said that Mr T was locked out of his online banking as a security measure. To regain access, receive statements and a new card she said that Mr T had to provide his updated address and

contact number, but he hadn't done this. She noted that NatWest had agreed to increase the compensation for the data breach to £250. She thought the actions taken by NatWest to resolve the issues raised by Mr T were reasonable.

Mr T didn't agree with our investigator's view. He said that in 2019, when his account was in credit, he asked for the account to be unlocked as he had only temporarily lost his details and he asked to update his address, but NatWest wouldn't let him. It said it was these actions along with NatWest no longer sending his statements which caused the loss. He said NatWest hadn't contacted him to update his address and he didn't now want a new card but instead to close his account. He didn't think it fair that NatWest could refuse to do this and continue to apply charges.

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.

I can understand why Mr T is upset by the situation that has arisen on his NatWest account. But for me to uphold this complaint I would need to be satisfied that NatWest did something wrong or treated Mr T unfairly.

Mr T has explained that when he moved away from the UK, he kept his NatWest account open, and that post was being sent to his parents' address. While Mr T has explained he wasn't using the account it was still his responsibility to ensure he was keeping track of the account and to raise any issues he was concerned by.

I have looked at Mr T's account statements from 2018 and these show that from February 2018 the only movements through the account were a £500 credit from another account in Mr T's name and a £500 debit to another account in Mr T's name (which Mr T was aware of) and a direct debit payment of £27.35. Mr T has explained that he wasn't aware that the direct debit payment was still being made as it related to a product he no longer had. Given this I find that NatWest acted correctly by cancelling the direct debit when Mr T asked it to and saying that he should contact the recipient for a refund and if needed he could raise a direct debit indemnity claim.

The outstanding issue is that the payment of the direct debit reduced Mr T's account balance and resulted in the account going into overdraft. Interest was then applied. While I understand that Mr T believes the interest should be refunded, it was his responsibility to cancel the direct debit when it was no longer required, and I cannot say that NatWest did anything wrong by continuing to make the payment based on the instructions it had received. As the account went into overdraft interest was applied and as I have nothing to suggest this was applied incorrectly, I do not find I can say that NatWest did anything wrong or treated Mr T unfairly by applying the interest to the account.

Mr T says that because NatWest had stopped sending him statements and had blocked his access to his account he wasn't able to see the transaction and so had no way of knowing the status of his account. I accept that had he noticed sooner that the direct debit was still being taken from his account after he no longer needed the product it related to that Mr T would have likely taken action sooner. But this doesn't mean that I think that NatWest has done something wrong.

NatWest has explained that a return to branch marker was applied to Mr T's account in 2013 and so he wouldn't have been receiving paper statements from that date. I note Mr T's comment that he lost online access in 2019 and so he may not have been concerned about the lack of paper statements before that date, but I think it reasonable that he would have

been aware at that time that he wasn't receiving these and he could have raised this with NatWest.

Mr T says that in 2019 he was locked out of his online account and when he contacted NatWest about this and to update his address, he was told he would need to visit a branch. I do not have the details of any discussion that happened at that time but as Mr T still had an account open with NatWest, I find it reasonable that he would have discussed any other options to regain access to his account and if these weren't provided then he could have taken further action at that time. This was while Mr T's account was still in credit.

Mr T didn't then contact NatWest about his account until 2023. At this point Mr T was provided information about how to get access on his account and how to update his details. As Mr T didn't do this, he still wasn't able to access the account. But based on the information provided NatWest did try to resolve the issue for Mr T at that time.

NatWest acknowledged that there was a data breach while dealing with Mr T's complaint and it initially paid him £100 compensation because of this. It has since said that it considers compensation of £250 to be appropriate. It isn't our role to determine whether NatWest has breached data protection rules but where there has been a breach, we can consider the impact of this and whether compensation should be paid. In this case I think that NatWest has acted reasonably by offering the compensation it has. Mr T has said that as this was paid to his NatWest account, he hasn't received the benefit. I note his point, but I do not find it unreasonable that the money was paid into the account NatWest had access to and this will have reduced any outstanding balance on the account. That said, NatWest has said that it would pay the additional compensation (£150) to a different account if Mr T wished. I find this reasonable.

Finally, Mr T has said he wants to close his NatWest account. I can understand why he would wish to do this, but I accept that this cannot happen until the outstanding balance has been repaid. Once Mr T has cleared the outstanding balance, if he still wishes to close the account, I would expect NatWest to take the required action to complete this.

Putting things right

NatWest should (as it has offered) pay the additional £150 compensation to Mr T for the upset caused by the data breach (bring total compensation to £250). If Mr T wishes this to be paid to a different account, then he should provide the relevant account details to NatWest.

My final decision

My final decision is that National Westminster Bank Plc, should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 February 2024.

Jane Archer
Ombudsman