

The complaint

Mr H complains that National Westminster Bank Plc (NatWest) wrongly treated his account as dormant and didn't send him a new debit card. Mr H also complained that he didn't receive a call back and NatWest had ignored his subject access request (SAR).

What happened

Mr H said his salary is paid into his account, and there are transfers and direct debits each month – so how was he to know that NatWest would treat his account as dormant and not issue him with a new debit card when his card expired.

Mr H said when he first raised this issue in September 2023, NatWest didn't provide contact details and he ended up on hold for long periods of time he called. He also asked for a call back, which didn't happen the first time. He also said he made a SAR to obtain details of his calls with NatWest, but NatWest's agent refused to take his request.

Mr H complained to NatWest and said he's been affected financially as he couldn't transfer money or access cash, and had to go to a branch and change his PIN. He said this was difficult due to a disability.

NatWest said Mr H's debit card expired in May 2023 and was marked as cancelled on its system. It said the card hadn't been used 'actively in full capacity' and so no renewal was ordered. NatWest said it had now ordered a new debit card. NatWest said if a debit card hasn't been used for a period of 13 months then its system will not automatically issue a new card. NatWest listed the transactions an account holder would need to carry out to maintain auto renewal, these include ATM or in-branch use or a point-of-sale transaction.

In a further response NatWest apologised for disregarding Mr H's request for a call and paid him £50 compensation. NatWest's agent said she hadn't refused to accept Mr H's SAR and had explained how he could raise this request.

Mr H said NatWest's position is unless he uses his debit card for particular transactions it has highlighted then the account is considered dormant. He said it's surprising that NatWest is not obliged to make customers aware of this and that it is considered an internal process. Mr H wasn't satisfied with NatWest's response and referred his complaint to our service.

Our investigator did not recommend that the complaint be upheld. She said NatWest hadn't made an error as the debit card hadn't been used. She said NatWest isn't obliged to disclose its internal policies and this is common for internal procedures within banking, but it had sent a new card and made Mr H aware of what to do in the future.

The investigator said the lack of a debit card hadn't affected Mr H's direct debits or overall access to the account, and so the effect was minimal. She said Mr H requested a SAR on a call, but NatWest's agent didn't have the capacity to do this and advised how he can obtain one. She said Mr H still hasn't followed one of the suggested options to obtain the SAR.

Mr H disagreed with the investigator and requested an ombudsman review his complaint. He said NatWest should be more transparent about its debit card process so that customers can take steps to avoid non-renewal. He also feels NatWest has mishandled his SAR request.

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.

Mr H is unhappy his account has been referred to as dormant and NatWest didn't send him a new debit card. He says that he made regular transactions but because he hardly uses his debit card NatWest has caused him this inconvenience. Mr H said NatWest insists the use of a debit card is mandatory to maintain an account but this isn't within its terms and conditions. He said it should be open about card use requirements so customers can avoid his situation.

I've looked at NatWest's handling of Mr H's account in relation to his complaint about his debit card to see if it has acted in line with its terms and conditions for the account, and to see if it has treated him fairly.

NatWest has explained that Mr H's account was not treated as dormant, only that it hadn't renewed his debit card. NatWest has set out to Mr H the criteria required for an automatic renewal of a card and the account activity shows that none of these account factors had been carried out by Mr H. Mr H doesn't dispute the lack of card use but says he shouldn't have to wait until his card isn't renewed to find this out, NatWest should tell customers up front.

Mr H described not being able to withdraw cash or make payments with a debit card as 'a pretty significant restriction' which caused him trouble. But I can see from NatWest's records that the last time Mr H had used a debit card on the account was in 2019.

I can see Mr H's point about how he was supposed to have avoided the situation, though I think it is very unusual for a customer to use all the common features of a current account other than a debit card.

NatWest, in common with all banks, is required to take the security of customers' accounts very seriously. Automatically renewing bank cards that haven't been used for a long time is a potential security risk to the funds in an account and so I can understand why a policy of non-automatic renewal is in place.

The information NatWest gave Mr H about how to keep his debit card active following the non-renewal of his debit card is only part of the process NatWest has for protecting customer accounts not fully in use. This is not information that banks publish as they want to preserve some confidentiality about the checks and processes they follow to protect accounts.

Mr H says that the rules about this should change to give customers greater transparency. However, NatWest is not required by regulation to publish this information and I don't agree with Mr H that it should do so. The regulations are set by the Financial Conduct Authority and Mr H may contact them about this, but should note that the Financial Conduct Authority won't consider individual complaints.

I can see that Mr H wanted to raise a SAR by phone with the NatWest agent who took his complaint. He said she refused to accept his request and pass it on, and this still hasn't been actioned. NatWest's agent said she hadn't refused to accept Mr H's SAR and had explained how he could raise this request. I think from this call Mr H ought reasonably to have been aware what he needed to do to raise a SAR. NatWest has said that it has no record of Mr H submitting a SAR, but if he follows the advice about this he may still do so.

I'm pleased that NatWest apologised and paid Mr H £50 for not calling him about its response to his complaint. He wasn't provided with an extension number, and this increased the wait time. I think the compensation paid is fair in the circumstances.

In conclusion, I was sorry to see that Mr H was without a debit card for about three months in 2023, and the inconvenience he was put to in obtaining a replacement. NatWest said none of Mr H's direct debits or other activities were affected by its non-renewal of his debit card.

And so I agree with the investigator that there appears to have been very little other impact on Mr H.

From my review of the circumstances of Mr H's complaint I have found that NatWest acted in accordance with the terms and conditions of the account in not renewing the debit card automatically. I don't think that NatWest has made an error in its handling of Mr H's debit card or his SAR, and so it wouldn't be fair for me to require it to pay further compensation.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 July 2024.

Andrew Fraser
Ombudsman