

The complaint

Mr D complains as a director of G, a company, that transactions on his business charge card issued by National Westminster Bank PLC have been regularly declined for no clear reason.

What happened

Mr D has a business charge card in the company name. He says that the card has had extremely limited functionality for many months and that he has had intermittent issues with the card not working for years. He says the problems significantly worsened in September/October 2023. The card would not work for any contactless or Apple pay transactions, and many times chip and pin would decline too.

He complained to NatWest in October 2023. It confirmed that everything on its side was set up correctly for Mr D to be able to fully use the card, including Apple Pay. Everything was showing as active and it did not have any known incidents that would stop Apple Pay from working. It suggested that Mr D remove the card from his wallet app and reset it.

Mr D says that he followed NatWest's suggestion twice to reset the card. But he continued to have problems with the card declining for no reason. NatWest was unable to help Mr D any further as the fact that the card works some of the time indicated that it was correctly set up on his system. There could be a number of reasons for the card being declined, including being over limit, retailer not accepting contactless or insufficient funds. Mr D disputed that any of those reasons applied and said that in a number of cases he was able to use an alternative card which worked straight away.

On referral to the Financial Ombudsman Service, our Investigator was satisfied NatWest had investigated the issues and couldn't see any evidence showing transactions were being declined due to an error by NatWest. So, she couldn't fairly ask it to do anything further.

Mr D didn't agree and the matter has been passed to me for an Ombudsman's consideration.

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.

On the question of evidence, I fully accept that Mr D has had transactions declined using his card. So I'm not disputing the evidence he has provided. Nor have I preferred NatWest's evidence. What I have to decide is whether NatWest was at fault in any way and if so what it could do about it.

Having considered exchanges of correspondence between Mr D and NatWest, and also having considered internal investigations by the NatWest technical teams, I am satisfied that NatWest thoroughly investigated the issue when it was put to them by Mr D. This is particularly in the period from the end of October 2023 until January 2024 when Mr D referred his complaint to this Service.

I have looked at the details of the transactions that were declined. I understand that having reset his card on the app after October 2023 Mr D says that about 50% of his transactions were being declined. But NatWest's investigations of its system found no evidence that the card was set up incorrectly (as it wouldn't have worked at all if that were the case). Of the transactions it has investigated, NatWest could not discern a pattern and could only offer explanations as to why particular transactions were declined eg because Mr D had tried to use contactless over the limit, it exceeded the retailer's limit, or there were insufficient funds (this might be because of a daily limit rather than insufficient funds in the account). Some transactions may trigger NatWest's fraud prevention system, requiring manual inputs of information. I've noted that a lot of the transactions that Mr D tried to make were made abroad and it may be that if a different card worked it was because it was issued by a different provider (eg Visa against MasterCard).

I'm aware that some of the transactions Mr D has provided evidence of do not appear on NatWest's system but this might have been because of a failure in connectivity between the retailer and NatWest. Again NatWest hasn't been able to find this was a system error on its part. I take the view that if there were such an error it would have clearly been in NatWest's interests to fix it.

I appreciate that this would have been frustrating for Mr D, especially as his issue with his card can't be traced back to any error on NatWest's part. And I understand that Mr D disputes that any of the reasons for decline apply to him. However our function is to resolve complaints informally. Where that is not possible, any decision I make would have to be one that NatWest could reasonably comply with. And as it has investigated its systems and investigated Mr D's complaint and has not been able to trace it to any fault on its part, I can't reasonably ask it to do anything else.

I know this is an unsatisfactory situation for Mr D. As our Investigator has advised him, all we can suggest is that when Mr D carries out a transaction that is declined in future, that he immediately informs NatWest so it can carry out an investigation in real time.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 12 September 2024.

Ray Lawley
Ombudsman