

The complaint

Ms B is unhappy that National Westminster Bank Plc (“NatWest”) didn’t enable her to invest the amount she wanted to invest into a fixed-term savings account, and with the service she received surrounding this matter.

Summary of what happened

Ms B set up a fixed term savings account with NatWest but found that she was unable to transfer money into the account from her mobile banking app. Ms B contacted NatWest about this and they helped her to move some, but not all, of the money that she wanted to invest into the savings account. NatWest promised to call Ms B back to arrange the transfer of her remaining money into the savings account, but no call back to Ms B was ever made. And when Ms B later spoke with NatWest about funding her account, she was told that she’d now missed the deadline for her to do so.

Ms B wasn’t happy with the service she’d received from NatWest, and she also wasn’t happy that she’d lost out on earning interest on the her total intended investment amount because she was now unable to fund her fixed-term savings account as she’d wanted to. So, she raised a complaint.

NatWest responded to Ms B and apologised for what had happened. They accepted that the service Ms B had received from them wasn’t of the standard that she was reasonably entitled to expect, and they paid compensation totalling £160 to her regarding any trouble or upset she may have incurred as a result.

NatWest also accepted that they should have enabled Ms B to invest the full amount of money that she’d wanted to invest, and they calculated how much interest Ms B hadn’t received because of their mistake and credited that missed-interest amount to Ms B’s account. Ms B wasn’t satisfied with NatWest’s response, so she referred her complaint to this service.

One of our investigators looked at this complaint and liaised with Ms B and NatWest about it. During their review, NatWest reconsidered their position on this complaint and offered to pay a further £250 compensation to Ms B because of what had happened. Our investigator felt that NatWest’s offer represented a fair outcome to Ms B’s complaint. But Ms B remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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.

Where a business has made a mistake, as NatWest have accepted that they did here by not enabling Ms B to invest the full amount that she wanted to invest into the fixed-term savings account, this service would generally expect that the business would take the corrective action necessary to return their affected customer to the position they should be in, had the mistake never occurred.

Upon consideration, I feel that NatWest have done that here. This is because NatWest have credited Ms B with the interest that she would have earned in her savings account, had she been able to invest the full amount that she's wanted to invest. As such, I'm satisfied that NatWest have returned Ms B to the financial position that she would have been in, had NatWest not made the mistake that they did, and that no further corrective action is reasonably required from NatWest in this regard.

Ms F has expressed concern over the accuracy of NatWest's interest calculation. However, I've reviewed NatWest's calculation and I'm satisfied that it is correct.

Ms F has suggested that she should be awarded a higher rate of interest, specifically an additional 8%, because of what happened here. But an additional 8% interest is generally only awarded when the affected party has unfairly been denied access to their money, which might be the case if money had been kept in an investment longer than it should have.

But that isn't the case in this instance. Indeed, the opposite happened, with Ms B retaining access to money she wanted to place in a fixed-term investment, where it would have been unavailable to her. As such, I'm satisfied that no award of additional interest, beyond that which Ms B's money would have earned in the savings account, is fairly merited here. And, as explained, I'm satisfied that NatWest have already paid the correct amount of missed interest to her.

Ms B is also unhappy with the service she received from NatWest surrounding this matter. In consideration of this point, I've listened to several recorded phone calls between Ms B and NatWest which take place over a period of several months.

Matters are complicated here somewhat by the fact that Ms B has other complaints with NatWest, and I note that several of the calls I've listened to are in relation to those other complaints – and so have no bearing on this review.

But there are several calls that are relevant to this complaint. Having listened to those calls I can appreciate Ms B's frustration with the service she received from NatWest. However, upon consideration, I feel that the apology and further £250 compensation that NatWest have offered to pay Ms B – payable in addition to the £160 compensation that they've already credited to her – does fairly compensate Ms B for the service issues she encountered and provides a fair outcome to this aspect of Ms B's complaint.

In arriving at this position, I've considered the impact of what happened on Ms B, including that Ms B had to make several calls to NatWest about this matter. And I've also considered the general framework this service uses when assessing compensation amounts, details of which are available on this service's website. And, having done so, I feel that the payment of a further £250 compensation does represent a fair resolution to this complaint.

All of which means that, while I will be upholding this complaint in Ms B's favour, I'll only be doing so to formally instruct NatWest to pay the further £250 to Ms B that they've already agreed to pay. And I won't be issuing any further or alternative instructions to NatWest beyond that.

To summarise; this is because I'm satisfied that NatWest have already taken the corrective action needed to return Ms B to the financial position she should be in, had NatWest not made the mistake that it did. And also because I'm satisfied that the payment of a further £250 compensation, in addition to the £160 already paid, does fairly compensate Ms B for the service issues that she's experienced.

I realise this won't be the outcome Ms B was wanting. But I hope that she'll understand,

given what I've explained, why I've made the final decision that I have.

Putting things right

NatWest must pay a further £250 to Ms B.

My final decision

My final decision is that I uphold this complaint against National Westminster Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 13 August 2024.

Paul Cooper
Ombudsman