

The complaint

Mr B complains that National Westminster Bank Plc sent him an OTP (one time passcode) for a financial transaction he didn't undertake and that it has failed to explain why.

What happened

In November 2023, Mr B commenced making a purchase online for around £280. He was disturbed to receive two texts at the same time with the same passcode, one relating to his purchase and another relating to a transaction for £5,000. He spent some time on the telephone trying to get an explanation but was not satisfied with NatWest's response.

Mr B made a formal complaint to NatWest about its complaints handlers and about receiving the OTPs. Mr B had abandoned his purchase and NatWest confirmed that the second payment had not debited his account and was not related to any purchases made by him on his debit card. It said that its investigation had proven to be inconclusive regarding the message/authorisation Mr B received. As it couldn't rule out that he had experienced a temporary isolated issue with the service, it upheld his complaint. NatWest said it was sorry for any frustration caused. It recognised that Mr B had been inconvenienced and, as a gesture of apology for the upset and inconvenience caused, paid him £100.

On referral to the Financial Ombudsman Service our Investigator said that as this appeared to be a temporary isolated issue and that no funds had debited Mr B's account, she thought that the £100 compensation paid by NatWest was appropriate.

Mr B did not accept this. He felt that NatWest had not told the truth about its investigations. He asked for an Ombudsman's decision and as a result the matter has been passed to me.

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 the evidence is incomplete, as some of it is here, I have to make my decision based on what I think is most likely to have happened. But it may be that I can't make a finding and if that is the case I shall say so. I have a duty to be impartial so I have to assess both parties' evidence fairly.

I can well understand Mr B's concern when he received a message concerning a transaction which he didn't carry out, especially for such a large sum of money. When he raised the matter with NatWest it does appear that he wasn't able to get satisfaction over the telephone and had to be transferred through various departments.

NatWest has sent us details of the investigation it carried out. It appears that the other transaction did belong to a different customer but the only connection between Mr B and that customer was that they used the same mobile phone network (though Mr B says his network isn't the one identified by NatWest). NatWest's investigations are not conclusive but it hasn't been able to identify any general fault with its systems and believes that this was just an

isolated occurrence. It has advised that it uses a third party provider to generate the OTP's and that it may have been an error with them or with the mobile network.

I have considered whether there is any other action I could reasonably make NatWest take. But I think it likely that this was a one-off error. There was never any point at which funds were removed from Mr B's account, so he hasn't suffered financially from the error. And as the two transactions generated the same OTP, it does seem likely that it was the generation of the OTP which was the source of the error.

I recognise Mr B's concerns. And if we were receiving lots of complaints about faulty OTP's with NatWest, there might be grounds for requiring it to carry out a more detailed investigation or reporting the matter to the regulator. But as far as I'm aware this does appear to be, as NatWest has explained, an isolated occurrence. And Mr B hasn't informed us of any further such errors with his account.

So in the circumstances of this case I do think that the £100 compensation paid to Mr B is fair and reasonable.

My final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 October 2024.

Ray Lawley
Ombudsman