

The complaint

Ms T complains that National Westminster Bank Plc (NatWest) transferred money from her savings account to a joint account she had had with a former partner instead of to her sole current account. As a result the former partner has taken the money and she is unable to recover it.

What happened

In February 2024 Ms T went into a branch of NatWest with a view to transferring £12,400 from her savings account into her current account in her sole name. This was so that she could buy a car. At the counter she was asked to insert a debit card from the said current account into the chip and pin machine and to press “enter” to confirm the transaction. She says that unknown to her, the ex-partner had retained the joint account and was using it. The money transferred into that account and was almost immediately removed by the ex-partner.

Ms T says that she noticed the transfer hadn't gone into her current account when she did a transaction at the post office later that day. She telephoned NatWest and a formal complaint was raised. However NatWest advised that Ms T was given the opportunity to check the details to ensure the transfer was set up correctly before confirming she was happy via the chip and PIN machine. It attempted to carry out a faster payment recall but was unsuccessful. As it regarded the matter as a private dispute between the parties it said it couldn't raise a dispute about the transfer.

Ms T said she was vaguely aware of the joint account but had been told several years previously by the ex-partner that he had closed the account. I understand that she has attempted through her daughter to get the money returned but has been unsuccessful.

I understand that Ms T was still able to buy her car as she had sufficient savings to do so. But she is still £12,400 out of pocket.

On referral to the Financial Ombudsman Service, our Investigator's overall view was that NatWest hadn't made any errors in its process for what took place.

Ms T didn't agree and the matter was passed to me for an Ombudsman's consideration.

I issued a provisional decision. In it I said that I thought NatWest should have alerted Ms T to the fact that she had two current accounts and asked her to decide which one the money should be paid into. And that it should pay her financial losses of £12,400 plus interest and compensation of £250.

NatWest said it didn't have any further points to raise and upon receipt of our closure will arrange for the payment to be made as per usual timescales.

Ms T had further points to make about the transaction and how in her view NatWest had dealt with the matter. She also queried whether I could order NatWest to remove her name from the joint account.

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.

The following were my provisional findings:

"Where the evidence is contradictory or incomplete, as some of it is here, I have to make my decision based on what I think is most likely to have happened. I have a duty to be impartial so I have to assess both parties' evidence fairly.

Ms T discussed with NatWest's complaint adviser what happened when she went into the bank on 20 February 2024. Having regard to NatWest's evidence it would appear that the cashier has no particular recollection of Ms T. NatWest has however set out what the process would be.

I understand that Ms T explained to the cashier that she needed to transfer the money for her car from her savings account into her current account. When the cashier, viewing the accounts screen was told that, they'd have seen that in fact Ms T had two current accounts, one in her own name and the other in her and the ex-partner's names. I don't believe there was any discussion with Ms T about which account she wanted the monies paid into. And that the account would have been selected by NatWest. Given that the debit card which she was using in the chip and pin machine related to her sole account, I can't think why the joint account would have been selected. Although I accept that at that stage NatWest had no information that the parties named on the joint account, were separated.

NatWest says that the chip and pin machine would have shown what accounts the monies were coming from and going into. But it would have only shown account numbers, not names. We did ask NatWest if it could provide us with dummy screenshots of what Ms T would have seen but it tells us that those are not available. Ms T said she didn't have her reading glasses with her so she couldn't read what was on the machine but she does remember reading that she shouldn't remove her card from the machine. So I think it likely that she was presented with a screen with account numbers on and that the cashier would not have been able to see that she couldn't read what was on the screen.

However I have to look at this from an ordinary customer's point of view, and not someone with sophisticated knowledge of the banking process. Ms T was vaguely aware of the existence of the joint account, she said she came across it when she was doing telephone banking. She had however been assured by her ex-partner that the account was closed. She has shown us a deed of separation (a copy of which she sent to NatWest after the event) dated December 2019 so she had not used the account since at least then. So, not expecting to see anything else on the screen except the details of her sole current account and having used the card and PIN from that account, I don't think it would be reasonable to have expected her to notice that the account number that the money was going into was different.

Ms T was given a receipt and I understand that this did show the account name. But, given that she wasn't expecting anything untoward, I accept that Ms T just filed this away. The evidence is that her ex-partner noticed the deposit into the account straight away and removed it immediately. It seems unlikely therefore that once the transfer had been made, NatWest would have been able to recover it.

So overall I think that NatWest should have alerted Ms T to the fact that she had two current accounts and asked her to decide which one the monies should be paid into. From the evidence I've seen NatWest selected the joint account without further reference to Ms T.

Whilst Ms T may have seen the numbers on screen, I don't think it would be reasonable to have expected her to identify that the number belonged to a different account to the one she thought she was paying into.

I understand that Ms T has tried to get her ex-partner to return the money to her but he won't respond. I further understand that the breakup was very traumatic for her so it has been very upsetting for her trying to get the money back."

Ms T has provided us with further information about the transaction and what she thinks NatWest should have done. However in light of my provisional findings and the fact that NatWest isn't contesting them, I don't think there is any point in me going into the matter any further. With regard to compensation, I'm satisfied that the amount I have awarded is appropriate.

With regard to the joint account, I can only make a decision on this complaint. If Ms T wants her name removed from the joint account this usually would be done with the consent of both parties to the account. If her ex-partner won't cooperate, she should approach NatWest to see what action it can take.

As both parties have essentially accepted my provisional findings, those findings are now final and form part of this final decision.

Putting things right

From listening to her calls with NatWest's advisers and our Investigator I do think that this matter caused Ms T great distress. I think that it should pay compensation of £250.

NatWest should further pay Ms T's financial losses of £12,400 together with interest at 8% from the date the monies were transferred until repayment.

My final decision

I uphold the complaint and require National Westminster Bank Plc to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 12 December 2024.

Ray Lawley
Ombudsman