

The complaint

Mr F is unhappy with the service he's received from National Westminster Bank Plc ("NatWest") surrounding his accounts being passed to NatWest's recoveries team and the impact that this has had on his credit file.

What happened

Mr F had a loan account with NatWest which was in arrears and for which he'd been receiving financial assistance, as well as another loan account and a current account.

On 23 February 2021, while overseas because of a family bereavement, Mr F noticed that he couldn't access his NatWest accounts. Mr F contacted NatWest about this and explained that he was overseas. NatWest told Mr F that they wouldn't take any further action until he returned to the UK, but when Mr F contacted NatWest again after returning to the UK he found that his accounts had been passed to NatWest's collections and recoveries team and that his credit file had been impacted as a result. Mr F wasn't happy about this, so he raised a complaint.

NatWest looked at Mr F's complaint. They noted that they'd confirmed to Mr F during the call of 23 February that they'd put a hold on his loan account until 2 March 2021, by which time Mr F had explained to them that he would be back in the UK. But Mr F hadn't contacted NatWest again until 11 March 2021, by which time the hold on his loan account had expired. Because of this, NatWest didn't feel that they'd acted unfairly towards Mr F by passing his accounts to their collections department, and they didn't uphold Mr F's complaint.

Mr F wasn't satisfied with NatWest's response, so he referred his complaint to this service. One of our investigators looked at this complaint. But they also didn't feel that NatWest had acted unfairly towards Mr F in how they'd managed the situation. However, while liaising with NatWest about this complaint, NatWest identified what they felt were service issues surrounding how their staff had handled their interactions with Mr F, and so they offered £100 compensation to Mr F because of this.

Mr F 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.

When Mr F telephoned NatWest from overseas on 23 March 2021, having noticed that he couldn't access his NatWest accounts, it was discovered by NatWest that a prior payment holiday hadn't been applied to his loan account correctly, meaning that NatWest were considering the payment holiday to have ended before it correctly should have.

Accordingly, at that time, NatWest amended the payment holiday dates and reinstated the overdraft on Mr F's current account, which had been suspended because NatWest had

believed that Mr F's loan account was in unauthorised arrears.

These corrective actions still meant that the payment holiday period had ended at the time of the telephone call, but that it had only ended a few days previously. Because of this and taking into consideration that Mr F was overseas but expected to return to the UK no later than 2 March 2022, NatWest agreed to place a temporary hold on any potential collections and recoveries activities on his accounts until 2 March 2022.

It seems evident that NatWest confirmed to Mr M on several occasions during the telephone call that it was important that he contact them as soon as he'd returned to the UK, and that the hold that was being placed on potential collections and recoveries action was only temporary and would expire on 2 March 2022.

But Mr F didn't contact NatWest on 2 March as he'd promised he would, and this meant that when the hold on collections and recoveries expired that same day, there was no agreement or arrangement in place between Mr F and NatWest in regards to the arrears on his loan account. Because of this, I don't feel that I can fairly or reasonably censure NatWest for then following the collections and recoveries process that they did.

Mr F has confirmed that he did return to the UK on 2 March 2021, but that because of Covid-19 lockdown restrictions he had to quarantine in a hotel upon his return. However, given that Mr F was in the UK, I feel that it was incumbent on him to have contacted NatWest on the 2 March 2021 from the hotel – especially as NatWest had previously stressed the importance of calling them by this date, regardless of the circumstances, to Mr F.

All of which means that I don't feel that NatWest have acted unfairly or unreasonably towards Mr F by considering his accounts as being in unauthorised arrears when Mr F didn't contact NatWest by 2 March 2021 as they required. And it follows from this that I also don't feel that NatWest acted unfairly by then following the collections and recoveries processes that they did, or by making the reports to Mr M's credit file that these collections and recoveries processes entail.

But while I don't feel that NatWest's actions here were unfair, NatWest have themselves acknowledged that the standard of service that Mr F received when contacting them about these issues wasn't to the level that they aspire to, and they've offered to make a payment of £100 compensation to Mr F because of this.

It must be confirmed that NatWest don't feel that they've made any mistake in regard to their actions here, but that they feel they didn't provide Mr F with an appropriate level of service while explaining their position and intentions to him.

Matters of compensation can be subjective, with an offer considered as fair and reasonable by one person not being considered as being such by someone else. But in consideration of the context and circumstances here, the £100 that NatWest have offered does feel fair to me, and I can confirm that its inline with what I would have instructed NatWest to pay for the service issues they've identified, had they not already offered to do so.

So, while I will be upholding this complaint in Mr F's favour, I will only be doing so on the limited basis that NatWest must make the £100 payment of compensation to Mr F that they've already offered to pay.

I realise that this won't be the outcome that Mr F was wanting, but I hope that he'll understand, given all that I've explained, why I've made the final decision that I have.

Putting things right

NatWest must make a payment of £100 to Mr F.

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 Mr F to accept or reject my decision before 6 July 2022.

Paul Cooper
Ombudsman