

## **The complaint**

Mr S complains National Westminster Bank Plc unfairly removed his overdraft facility.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr S held a NatWest account which had an associated overdraft. Mr S's account was managed by NatWest's collections department from May 2022 onwards. In early February 2023, NatWest issued an overdraft termination notice, explaining the overdraft would need to be repaid in full by 9 March 2023. Mr S was unable to repay the overdraft, and NatWest removed the facility.

Mr S raised a formal complaint about the management of his account and service he received from NatWest. In particular Mr S explained that the account had an interest free overdraft as it was a graduate account and he had asked NatWest multiple times when the interest free period would end. Mr S says he wasn't given an opportunity to come to an arrangement with NatWest to clear the overdraft.

NatWest reviewed Mr S's complaint and issued a final response letter. In this response it explained it had communicated with Mr S throughout the process and given him fair opportunity to clear the overdraft. It explained it had closed the overdraft and account in line with the account terms and conditions and issued a default notice in line with regulatory requirements. Mr S also explained his complaints were logged, and NatWest offered Mr S £50 for this aspect of his complaint.

Mr S was not happy with NatWest's review of his case so referred his complaint to this service. The investigator looked into the merits of this case and found NatWest had acted fairly in its handling of his account and overdraft.

Mr S remained unhappy, so the case has been referred to me – 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.

I'm aware that I've only summarised Mr S's complaint points. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I can assure Mr S I have read everything he has provided.

I'm sorry to learn of the health and financial issues Mr S has explained and I understand this has been a challenging time for him. Mr S says he is a long-standing NatWest customer and

it has treated him unfairly. Based on the evidence I've seen I don't think it did. I'll explain why.

I've considered the timeline of events and how NatWest managed Mr S's account. Mr S's account was passed to NatWest's specialist collections department as it was persistently in its overdraft. NatWest's notes show repeated attempts were made to contact Mr S about repayment of the overdraft, and although there is some contact from Mr S, a clear agreement on next steps doesn't seem to have been reached. In particular, I see Mr S spoken to NatWest in early December 2022 and said he would be in touch within the next week. However, no further contact was received from Mr S. Given the time the account had been with the specialist collections team and the minimal progress made with clearing the overdraft, I think it was reasonable for NatWest to issue a termination in early February 2023.

Mr S says he didn't receive all the correspondence NatWest says it sent to him. Mr S also says he contacted NatWest multiple times. I've considered Mr S's comments, but NatWest's records don't correspond with the details Mr S has provided. In addition, it seems Mr S was aware of the need to arrange a repayment plan, and the notes suggest he was receiving correspondence, as it prompted contact from Mr S on some occasions. I think NatWest took adequate steps to contact Mr S, and in particular once the termination notice was issued in February 2023, it provided a clear deadline for Mr S to get in touch by, with chaser emails sent before the deadline.

The terms of Mr S's account say NatWest can demand repayment of the overdraft at any time. As Mr S was unable to clear the overdraft, NatWest attempted to work with Mr S, but given the lack of progress a notice of termination was issued, and Mr S was given 30 days to clear the overdraft. Based on the evidence I have seen NatWest issued clear communication to Mr S and I'm satisfied NatWest has acted in line with the account terms and general industry practice.

Mr S refers to the overdraft limit in place on his account as it is a graduate account. I've considered the terms of the account and they specify that the interest free thresholds will reduce, not the overdraft itself. NatWest has also confirmed that no interest has been applied to Mr S's account overdraft. I understand Mr S would like the overdraft reinstated, however it is not the role of this service to tell businesses which services to provide to customers. NatWest removed the facility for Mr S based on his previous management of the debt, and it is under a regulatory duty to ensure its lending decisions are carefully made, with consideration of each individual customer's circumstances and credit history. Based on the evidence I've seen I don't think NatWest has acted unreasonably by declining to offer this facility to Mr S.

Overall, having considered everything, I don't think that NatWest has treated Mr S unfairly and I'm not upholding this complaint. I appreciate this will be very disappointing for Mr S as he clearly feels strongly about the matter. But I hope he'll understand the reasons for my decision and that he'll feel his concerns have been listened to.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 June 2024.

Chandni Green

**Ombudsman**