

The complaint

Mr A is unhappy that National Westminster Bank Plc (“NWB”) refused to write off all or part of his loan and reduce his loan repayments when he lost his job.

What happened

In March 2023 Mr A entered into a loan agreement with NWB for £10,000. The term of the loan was 60 months with monthly repayments of £273.58.

In or around June 2023 Mr A contacted NWB. He said that he’d lost his job and wanted the loan written off or the payments reduced. NWB said it couldn’t do this but went through the available options with Mr A.

Mr A complained to NWB. He wasn’t happy that his loan couldn’t be written off or the loan payments reduced. He said he didn’t want the options offered to him by NWB and he was unhappy about the customer service he’d received.

NWB didn’t uphold the complaint. It said it had discussed all the available options with Mr A but that it wasn’t able to write off the loan balance. It acknowledged that Mr A was expecting a call back but said there was no evidence that this had been promised. NWB apologised that it had taken longer than anticipated for it to respond to Mr A’s complaint and paid compensation of £70.

Mr A remained unhappy and brought his complaint to this service.

Our investigator didn’t uphold the complaint. They said NWB wasn’t obliged to alter the terms of the loan agreement. They also said they were satisfied that NWB had tried to offer help and support by discussing the available options with Mr A.

Mr A didn’t agree. He said that the options NWB had offered him weren’t suitable.

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’ve reviewed the loan agreement. This set out the key features of the loan including the amount advanced, the term, the interest rate and the monthly repayments. Mr A agreed to these terms when he signed the loan agreement.

NWB isn’t under any obligation to write off the loan or reduce the loan repayments, even if a customer’s circumstances change after they’ve entered into the agreement.

I can see that Mr A had a number of conversations with NWB. I’ve reviewed these and I’m satisfied that NWB offered Mr A appropriate alternative options. I appreciate that Mr A didn’t want to proceed with these options, but I’m satisfied that NWB tried to assist Mr A by offering them.

Mr A has said that all he was offered by NWB was a consolidation of his loan and overdraft into one larger loan, or a payment plan for the arrears only but not the loan payments going forwards. I've reviewed the calls and chats which took place, and I don't agree with Mr A that he wasn't offered other options.

I can see that Mr A was asked to complete an income and expenditure form more than once. I appreciate that this must've been frustrating for Mr A but I agree with NWB that it's important that the form gives a true reflection of a persons finances.

I understand that Mr A as unhappy that he couldn't speak to a manager on one occasion, and that he didn't receive a call back on another occasion. NWB has explained that the agents are the highest point of contact, and that Mr A was correctly advised that it wouldn't be possible for a manager to call him back.

I understand that this has been a worrying time for Mr A. I appreciate that he wants the loan written off, but this isn't something which NWB is obliged to do, and it isn't something this service can ask them to do.

Based on everything I've seen, I'm unable to say that NWB has treated Mr A unfairly. I won't be asking it to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 February 2024.

Emma Davy
Ombudsman