

The complaint

Mr W has complained that National Westminster Bank Plc ('NatWest') took over £7,000 from one of his accounts, to pay for an alleged credit card debt. He says it did this without his consent, and that he's not been provided with a breakdown of the debt.

What happened

Mr W had a credit card account with NatWest. He also has a savings account with it. NatWest took over £7,000 from the savings account, to settle an outstanding debt on the credit card account.

Mr W complained to our service, as he questions the legality of what's happened, and considers that he's been the victim of theft.

One of our investigators looked into what had happened. But he didn't recommend that the complaint should be upheld. In summary, he considered that NatWest had a right of set-off, and that it had exercised it fairly.

Mr W disagreed. He maintains he's been robbed and that NatWest has acted illegally. He also said it's not for anyone to judge whether or not its actions have caused him financial hardship.

The complaint's now 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.

Having done so, I'm not upholding it. I know Mr W feels strongly about this, and it will be very disappointing for him, but I'll explain why.

Banks have a legal common law right of set-off, regardless of whether or not its set out in the terms and conditions. However, in this case, the terms and conditions of Mr W's savings account do set out this right.

So, I've gone on to consider whether NatWest has exercised this right fairly.

Mr W accepts he entered into the credit card agreement and that the spending was his. So, I'm persuaded that he owes the money. This is the case regardless of the fact that the original credit agreement is no longer available. So, it's fair that NatWest wants to be paid the money owed.

Both the savings account and the credit card account are in Mr W's sole name, and NatWest owns the debt. Mr W stopped making repayments, and attempts to contact him about a repayment plan were unsuccessful. It had also sent notices of arrears. Further, although NatWest didn't tell Mr W it was going to use its right of set-off, he'd had notice of it through the savings account's terms and conditions.

Finally, I've looked at whether NatWest's actions caused Mr W financial hardship. I know he feels nobody can be the judge of that, but it's important I consider it, as part of deciding if NatWest acted fairly. I've seen no evidence of financial hardship, and Mr W has been left with a savings account balance. So, I don't think there's evidence he's suffered financial hardship because of NatWest.

For these reasons, I'm satisfied that NatWest acted fairly.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

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

Elsbeth Wood
Ombudsman