

## **The complaint**

Mr O complains that National Westminster Bank Plc is unfairly pursuing him for repayment of a Bounce Back Loan (BBL).

## **What happened**

Mr O, operating with a trading name which I'll refer to as T, took out a £50,000 BBL from NatWest in June 2020.

BBLs were designed to help businesses get finance more quickly if they were adversely affected by the coronavirus outbreak. Under a government-backed scheme, lenders could provide a loan with a six-year term for up to 25% of the customer's turnover, subject to a maximum of £50,000.

Monthly repayments on the BBL became due from July 2021 onwards. T made those repayments regularly, but after April 2022 no further repayments were made. From March 2023 onwards, the bank sent letters to Mr O about the BBL debt and its concerns. In May 2023, the bank sent a formal demand notice to Mr O, requiring repayment of the BBL debt in full.

Mr O complained to the bank, saying that his business T had undergone a restructuring and was now incorporated as a limited company (which I'll refer to as B). As part of the restructuring, B had taken on responsibility for T's BBL. Mr O also said he was no longer connected with B.

NatWest said that it was unable to make B liable for the BBL, and that Mr O remained responsible for the debt. Unhappy with the bank's response, Mr O referred his complaint to us, saying he wanted the BBL to be repaid by B.

Our investigator reviewed the evidence and concluded that the bank didn't need to do anything further. She said the BBL agreement between NatWest and Mr O said that he would be responsible for repaying the loan. There were no provisions in the BBL terms for transferring the loan to a new party. The arrangement for B to make the repayments was something between Mr O and B, and wasn't an agreement with NatWest.

Mr O didn't agree with the investigator's conclusion and asked for the case to be referred to an ombudsman.

## **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 sorry to disappoint Mr O, but I've reached the same conclusion as the investigator, and for largely the same reasons.

It's common ground that Mr O entered the BBL agreement with NatWest in 2020, in which he agreed to make the loan repayments. If Mr O later reached an agreement with B, under which B would make the repayments, then that would be a matter between himself and B, and wouldn't change any of his responsibilities to the bank. I'm satisfied that NatWest wasn't a party to any agreement between Mr O and B.

Moreover, I note that no new parties could be added to the BBL after March 2021 under the terms and conditions of the BBL agreement and the general terms of the BBL scheme. I therefore think it was reasonable for NatWest to say that it couldn't transfer the loan to a new entity.

For these reasons, I don't find that NatWest has acted unfairly or unreasonably in holding Mr O responsible for repayment of the BBL.

If Mr O is unhappy that B hasn't kept to any agreement between himself and B, then I'm afraid it isn't a matter that can be considered by the Financial Ombudsman Service. In this complaint we can consider only the actions of NatWest, and I don't find that the bank has done anything wrong.

### **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 O to accept or reject my decision before 26 February 2024.

Colin Brown  
**Ombudsman**