

## **The complaint**

Mr S complains about the way that National Westminster Bank Plc handled a mortgage application. He said that it delayed and obstructed the application to the extent that he abandoned the application. He has lost out as interest rates went up during the time in question.

## **What happened**

Mr S approached NatWest in June 2022 to apply for a new mortgage. He said he abandoned the application in October 2022 because of delays and obstructions by NatWest, including asking for information it already held. He wants NatWest to compensate him for the increase in interest rates.

The investigator did not think the complaint should be upheld.

Mr S did not accept what the investigator said. He made a number of points:

- The investigator did not explain what evidence there was to support that NatWest had attempted to contact him.
- It was not clear why NatWest needed new documentation to support the mortgage application. Part of the complaint is that NatWest was asking for information that was already in its possession.
- The investigator did not identify what information NatWest already held. NatWest already had some of that information. And it was not straightforward for him to collate the information and the request caused delay. He did not understand why NatWest needed information it already had.
- NatWest asked for income clarification. It also said it wanted two years' tax returns if self-employed or three years' payslips. But his monthly income has been paid to NatWest for 25 years. He did not understand what he was supposed to provide or why it was reasonable for it to request information it already had.
- He'd not had a payslip for more than twenty years and so a request for payslips was impossible for him to fulfil and NatWest should have known that. And he'd only been in his new role for a short time and did not have three months' payslips. So it was impossible for him to comply with NatWest's requests. NatWest was asking for information that it already had or for documents it knew did not exist. That caused delay, created confusion and meant it was impossible for him to progress the application.

## **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.

Mr S first contacted NatWest in June 2022. It took until July 2022 to arrange a firm date for a meeting to discuss Mr S's application. I don't consider that was due to any unreasonable delays by NatWest. It simply reflected both parties' availability at the time in question.

On 25 August 2022, NatWest asked Mr S for three months' payslips or the last two years' tax return. But Mr S had provided a copy of his employment contract – and that would have shown that he'd only recently started a new job. So I agree that NatWest ought to have known that Mr S would not be able to provide those documents. Further, the purpose of the documents was to decide what Mr S could afford to pay. So NatWest should have tailored its request to what it knew about Mr S's circumstances.

In saying that, I do not agree that NatWest should have relied on the information it already held about Mr S. NatWest has not told us what information it had. But Mr S said he had his income paid into a NatWest bank account. In my experience, it is reasonable and in line with good practice for a lender to ask for additional information from a potential borrower – even if there is an existing banking relationship. For example, a customer might have additional income and expenditure that does not show on their bank account or some of the income might be from sources that aren't acceptable to the lender.

On 5 September 2022, NatWest clarified the information it needed, including tax information a copy of the employment contract uploaded and bank statements if Mr S held another current account. I consider that request was clear and relevant to Mr S's circumstances.

Ultimately it was for NatWest to decide what information it requested for it to be able to decide whether to lend to Mr S and how much it was prepared to lend. The information it asked for in September was reasonable and in line with what many lenders would request in the circumstances, bearing in mind that they are required to demonstrate the affordability of any new mortgage.

I can't see that Mr S uploaded all of the necessary information that NatWest had requested for it to be able to consider a mortgage application. So it cancelled the appointment it had arranged for 7 September 2022. NatWest said the documents were uploaded on 17 October 2022. But it was unable to arrange a further meeting with Mr S. NatWest has provided a copy of the member of staff's sent emails, showing that it unsuccessfully attempted to contact Mr S a number of times after that.

Other than a short delay caused by NatWest asking for irrelevant information, I can't see that NatWest acted unfairly or unreasonably in dealing with Mr S's application. The information it ultimately asked for was reasonable for a mortgage lender to request. The reason the application did not go ahead was because Mr S chose not to proceed. That was his decision. But I don't consider NatWest was responsible for that.

I've found that the delay in NatWest asking for the correct information from Mr S was not the reason the mortgage application did not proceed. The delay in clarifying the correct information needed was just over a week or around five working days. And even if NatWest had requested the correct information in the first place, it seems it still would not have been straightforward for Mr S to collate the information. In all the circumstances, I don't consider NatWest needs to do anything to settle this complaint. The delay had a minimal impact on Mr S and NatWest clarified the correct position quickly.

### **My final decision**

My final decision is that I do not 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 15 April 2024.

Ken Rose  
**Ombudsman**