

The complaint

Mr P complains about the way in which National Westminster Bank Plc (“NWB”) administered his account. He’s unhappy that direct debits were collected in a manner that caused him to become overdrawn on his bank account. Mr P is also unhappy that his instalment plans on his credit card were cancelled.

What happened

The history of this matter is well known to both parties, so I’ll limit my comments to those issues which I think are relevant to my decision.

Essentially, NWB made errors in the administration of direct debits on Mr P’s credit card account which caused him to become overdrawn. It also cancelled payment plans.

NWB accepted that it had made errors and said it couldn’t reactivate the payment plans but it would apply a blanket interest waiver on Mr P’s purchase balance for 12 months, which would remove all interest until December 2024 including on new purchases.

Our investigator upheld the complaint and awarded further compensation of £150.

Mr P wasn’t happy with the outcome, so I reviewed the complaint and issue a provisional decision. I said the amount of compensation wasn’t sufficient to reflect the impact that the errors had on Mr P. I said that the total compensatory award should be £350 (less credit for sums already paid).

I invited both parties to let me have any further arguments they wished to raise.

NWB accepted my provisional decision. Mr P said he didn’t think it was fair that he’d only been given 12 months interest free on the balance owing on his credit card, when he would have had 18 months to pay it off if his payment plans hadn’t been cancelled. He said this had put him under pressure to pay the balance off quicker.

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 thought about what Mr P has said. But on balance it doesn’t change my decision. Although Mr P has 12 – rather than 18 months – to pay off his balance, NWB has also agreed to remove interest on new purchases until December 2024. This is a benefit which Mr P wouldn’t otherwise have had.

Putting things right

To put things right National Westminster Bank Plc must pay total compensation of £350 to Mr P.

My final decision

I uphold the complaint. National Westminster Bank Plc must pay total compensation of £350 to Mr P.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 April 2024.

Emma Davy
Ombudsman