

The complaint

Mr M complains that National Westminster Bank Plc ('NatWest') failed to carry out his instructions to change his sole trading business credit card account to a limited company credit card account. As a result, Mr M says he has suffered financial loss.

Mr M is being represented by Mrs M. Any references to Mr M will include submissions and evidence provided by Mrs M.

What happened

Mr M had a sole trader business ('STB') from 2012 onwards. In 2014, Mr M set up a limited company with a similar name to that of his STB. He says he visited a local NatWest branch to make arrangements to switch the STB bank account and credit card to the newly formed limited company, which I will refer to as 'T' or the 'limited entity'. Mr M recalls that he was told by the NatWest branch business manager everything would be dealt with 'in-house'. Mr M said from that point onwards, he was under the impression the switch had successfully happened both for the bank accounts and the credit card account.

In 2019, Mrs M, on behalf of Mr M, contacted NatWest to discuss the bank accounts. She asked why the accounts didn't have the limited company name on the bank statements and explained she needed this to be changed urgently as the accounts didn't reflect the limited company status. Mrs M supplied the information requested by NatWest and although the names on the account were changed, no further changes were made to the accounts. So, these were never switched to the limited entity. Mr M subsequently applied for a 'bounce back loan' ('BBL') under the STB 'limited' name.

T entered into liquidation in May 2023 and was subsequently dissolved. And when T did, Mr M complained to NatWest saying it had failed to properly carry out his instructions in that it had not changed the accounts into the limited entity. This meant he was personally liable for the BBL and overdraft debt owed in relation to the STB bank accounts.

In relation to the credit card debt, which was just over £6,700, NatWest said Mr M was still liable for this as it never received a request to change it into the name of T. And it noted the credit card statements continued in the name of the STB. NatWest did, however, say it was sorry that Mr M was given wrong information in branch, referring to his testimony about what he says he was told in 2014. By way of an apology NatWest credited his credit card account with £300. Mr M referred his complaints about the BBL, bank accounts and credit card to our service.

Our investigator didn't recommend upholding this complaint. He noted that he had upheld the matters relating to the BBL and bank account complaints, which NatWest accepted, as these involved 'limited' being used in the names of these accounts following Mr M's change request in 2019, which he concluded was misleading. But our investigator didn't think the same applied to the credit card as no request was made in relation to this account. And the name of the credit card account had remained under the STB with no limited added to the name.

Mr M disagreed. Amongst other things, he considered the credit card complaint should be treated the same as the complaints related to the bank accounts and BBL. Mr M said that he didn't know the credit card and bank accounts were dealt with by separate parts of NatWest and he had no way of knowing this. Mr M says he thinks NatWest should have carried out its due diligence to ensure that his instructions were properly followed. And he said this matter has taken a toll on his mental health and he thinks NatWest is at fault for not ensuring the credit card was changed when he requested it in 2014.

When the matter was passed to me, I asked both parties for the credit card statements and also any comments in relation to these. I received partial statements covering the period 2019 to 2024 which were all addressed to Mr M or the STB. None of the statements included limited in the title apart from a letter dated 21 August 2023 from NatWest CCD which was addressed to Mr M, the STB, and T. This letter was to inform Mr M that the credit card account had been closed.

In my provisional decision (the 'first provisional decision'), I said I wasn't intending to uphold the complaint which was on the basis of the information and evidence I had at that time. However, following my first provisional decision, NatWest confirmed that Mr M had a credit card in the name of the limited entity. Neither party had been able to confirm whether this was, or was not, the case when previously asked.

After reviewing its records, NatWest was able to locate a credit card in the name of T. But it said this was a separate account from the STB, so Mr M was still liable for the debt outstanding in relation to the STB credit card. It noted that it did not previously provide us with this information as it hadn't located T's credit card account until we asked about this matter again and provided it with the letter from August 2023.

NatWest said its stance remains the same, in that for the customer to 'change' their STB card to a limited entity, they would need to stop using the STB card and replace it with a new card in the limited entity's name. But Mr M continued to use the STB credit card so he was still liable for the remaining debt on that card.

When asked for statements related to T's credit card, NatWest said its records are only held for six years. And during this period, there is no record of a statement for T's credit card being produced or the credit card being used. It also noted it no longer has the application form as the account was opened in 2015. In terms of the letter sent to Mr M in August 2023 which was address to Mr M, the STB and the limited entity, NatWest explained that this may be due to the number of characters in the limited entity's name and it was not in reference to the STB.

NatWest was asked by us whether it questioned why the STB credit card remained open when the credit card for T was opened in 2015. It said it would not have done so as it was entirely possible to operate a STB and a limited entity account at the same time because these were separate businesses. NatWest confirmed that the balance on the credit card for the limited entity was £12.13 in credit by the time it was dissolved. NatWest also confirmed that the STB account had an outstanding balance of £6,792.75.

NatWest added that: *"The fact we now know a LTD card already existed just serves to further evidence the Ombudsman's [first] provisional decision is correct. The customer never contacted Cards to 'change' their sole trader card and therefore the debt on that card is correctly due by that sole trader entity as the LTD entity already had it's (sic) own card prior so each customer knew to use their own card. The sole trader has spent on their sole trader credit card and so is correctly liable as there are no extenuating circumstances in this case such as with the bank accounts customer letter."*

Mr M was asked whether he ever received any credit card statements for T. And why the STB credit card account wasn't closed at the same time as opening the credit card for the limited entity. Mr M was also asked why he continued to use the STB credit card after opening T's credit card account. In response, Mr M said he thought the closure of the STB credit card account would be arranged by the branch business manager. He said he wasn't aware of T's credit card until we approached NatWest about this and he'd never seen and/or used it. Mr M noted he wouldn't have expected to receive any statements given T's credit card, as far as he was aware, was never issued.

Given the further evidence received, I issued a subsequent provisional decision (the 'second provisional decision'). I again said I was not intending to uphold this complaint. And the reasons for this are the same as those set out below, so I won't repeat them again here. NatWest agreed with my findings. Mr M did not and, in summary, he said:

- The second provisional decision to not find NatWest partially, or fully, accountable for any of the issues identified regarding the credit card complaint has left him feeling very frustrated and quite upset.
- He wants closure on the whole episode with NatWest given this has taken over twelve months to now get to this position.
- The second provisional decision doesn't take a view that there are two parties in this issue, and this cannot solely sit with Mr M. The main point being he never received a credit card for T's account or any statements/correspondence. And NatWest as the service provider must take some responsibility for this.
- He asked the ombudsman to consider making NatWest, at least, 50% responsible for the credit card issue and also the debt. This would help Mr M financially as he is unable to settle the outstanding amount of £6,792.75.

So, the matter has been passed to me for a decision.

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 reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint, I remain of the view that this complaint should not be upheld. I'll explain why.

As I noted in my second provisional decision, the information about the existence of a credit card in T's name only came to light after issuing my first provisional decision. Both parties were asked about this but neither were able to say whether the credit card account existed or not. However, following my first provisional decision, NatWest was able to confirm it'd located a credit card in the name of T. It would appear from what it has said that this account had not been used for some time, if at all. So, there is no longer any application form or statements on record that could be provided to us.

I have noted what Mr M said about his visit to the NatWest branch and what he was told during a meeting with the branch business manager. But he is recalling what happened almost ten years ago from the date of his complaint. I think it is unlikely his recollection of what happened from so long ago is accurate.

Nonetheless, it does appear that after this visit, a credit card was set up for T in 2015. This was a year after Mr M said he requested this in branch. But it doesn't appear from his submissions, and those of NatWest, that he ever used this account or if he did, the use was very limited. And Mr M has confirmed he did not, or at least doesn't recall, ever

receiving statements and/or a credit card in T's name. However, an account in T's name was opened as Mr M requested. And he continued to use the credit card relating to the STB and he didn't take any steps to pay the balance and/or close the account.

Further, given Mr M didn't receive any documents about T's account, I can't say he reasonably relied on anything that was sent to him by NatWest as nothing he was sent before August 2023, included 'limited' in the title. And by the very latest, I think by 2019, there was sufficient information for Mr M to know it wasn't only the bank accounts that didn't appear to be in the name of the limited entity. Despite this, as I've said, Mr M continued to use the credit card which was in the name of his STB.

So, once Mr M made the changes to the bank accounts, which did not initially have 'limited' at the end of the business name, I think there was sufficient information for him to understand that he was not using the credit card which had been opened in the name of T. And knowing this, he could have taken appropriate steps to correct the position if he wanted it to change. I don't think NatWest can be held responsible for him not doing so.

Mr M says he didn't notice the 'limited' was missing from STB's credit card statements and says this may be because the full name doesn't always appear on correspondence due to the number of characters. Whilst this may have been possible, in 2019 he knew the bank accounts needed to change. Given this, I think if Mr M was in any doubt about whether the 'limited' was simply missing from the STB credit card statements due to, for example, the length of the characters in the name, this is something he could have addressed at the same time as updating the bank accounts. And I think if he had done so, it's more likely than not he would have been told the credit card he was using was in the name of the STB and at this point, he could have addressed this issue.

Mr M points to the fact that in its final response letter NatWest agreed to pay him £300 for: "*...the wrong information in the branch that everything would be sorted*". We now know that a credit card was, in fact, opened for T in 2015. And as NatWest has said, it is possible for a customer to have two credit cards open at the same time. These were two separate businesses and it was for Mr M to decide whether to continue to use the STB credit card or to start to use the credit card for T. I can't reasonably or fairly say NatWest did anything to mislead him about which credit card he was using.

I note the further comments Mr M made following my second provisional decision but I can't see that he has added anything substantially different to what he had already submitted to us. I have taken into account the fact he did open a credit card under T's name in 2015. And I've explained why this hasn't changed my mind.

I've also noted Mr M's further comments about wanting me to find NatWest 50% responsible for the issue and therefore, 50% liable for the remaining debt. But for all the reasons set out above, my decision remains that I don't think NatWest has made a mistake here so I won't be asking it to pay any part of the debt.

Finally, I appreciate that Mr M is going through a challenging time including suffering from ill health, which I am sorry to hear is the case. And I can understand his concerns about repaying the credit card debt in full, which he has again expressed in his response to my second provisional decision. I know Mr M has offered to pay half of the debt if NatWest would agree to this. This is something he will need to discuss with NatWest. I can see NatWest has offered to provide support to Mr M if he is experiencing financial difficulties. And has said it could look to, amongst other things, set up a repayment plan, which, depending on Mr M's circumstances, could mean he repays anything from £1 per month towards the outstanding debt. It will be for Mr M to engage with NatWest about repayment options for the remaining debt.

So, for all the above reasons, I am not upholding this complaint.

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 M to accept or reject my decision before 20 December 2024.

Yolande Mcleod
Ombudsman