

## **The complaint**

Mr H complains that National Westminster Bank plc didn't act fairly or compassionately when it refused to write off outstanding balances on his accounts.

Mr H acts in his own capacity and also as the personal representative for the estate of the late Mrs H.

## **What happened**

Mr H and his late wife, Mrs H, had several accounts with NatWest. They experienced financial difficulties from around 2000. Mr H says they had been good customers of NatWest for many years prior to this and they agreed a repayment plan with NatWest which they have complied with for the past twenty years.

Mr and Mrs H contacted NatWest in 2019. At this stage, there were three accounts, a joint loan account, a joint current account and a credit card account in Mr H's sole name. It appears that the balances from the two joint accounts were combined. The combined balance on the joint accounts was approximately £5700 and the balance on the credit card account was just over £2000.

Mr H says they asked NatWest to write off these outstanding debts and provided it with the information it requested to support their request. They had also approached other creditors with the same request. Mr H says most of the other creditors agreed to the request. But NatWest refused to do so.

Mr H says NatWest has not acted fairly or compassionately nor properly considered the information provided to it. He also says NatWest "cashed in" on the fact that other creditors had written off debts. So, he complained to NatWest.

NatWest investigated the complaint. It said it wouldn't agree to the request to write off the debt. It said it had taken into account the fact that Mr and Mrs H owned their own home. It also said they'd indicated they had surplus income of £30 per month. It said it would agree to reduce the monthly payments from £7.99 per month to £4.00 per month. It also said they should maintain this monthly payment but could contact its Vulnerable Customer Team if they had any queries.

Mr H and his late wife were not satisfied with this response. They wrote again to NatWest. But, Natwest didn't change its position. It said they hadn't met its "acceptance criteria." So, Mr and Mrs H complained to our service.

Our investigator looked into the complaint. He said we'd expect NatWest to have treated Mr and Mrs H sympathetically and positively given their circumstances. But he said that didn't require NatWest to have to write off the outstanding balances. It was a matter for NatWest, and not our service, to exercise its own commercial judgement when deciding whether to write off a debt. He also said NatWest had subsequently agreed to accept payments totalling £2.99 per month which he thought was fair and reasonable.

Mr H and his late wife didn't agree. They said all of the other creditors had written off their debts. They also said that, given their age and the number of years required to clear the debt, it wasn't a judicious decision for NatWest to ask them to make repayments of £2.99 per month. But our investigator didn't change his view. He said we couldn't instruct NatWest to write off the debt.

Sadly, Mrs H has passed away whilst this complaint was being investigated by our service. So, the complaint is being progressed by Mr H in his own capacity and as the personal representative of Mrs H's estate.

Because Mr H doesn't agree with what our investigator said, the complaint has been passed to me to decide.

### **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.

At the outset I want to express my sincere condolences to Mr H on the death of his wife. I am sure this has been a very sad and difficult time for him.

I can see that Mr H has provided evidence of his age and financial circumstances.

The financial difficulties he's experienced first arose in or around 2000. From that time, he and his late wife were paying down the debt owed to NatWest in line with an agreed repayment plan. I can also see that Mr H has been getting advice from the Citizens Advice Bureau.

In July 2019, Mr H and his late wife wrote to NatWest asking it to write off the debts they owed to it. And, they provided several items of information to support their request. That included an account of their income and expenditure. I can see that this indicated they had approximately £30 per month of income which was available to pay off debts owed to all their creditors. It also set out proposed pro rata payments to a number of creditors.

The proposed repayments to NatWest, set out on the income and expenditure information, was £2.19 per month for the combined joint accounts and £0.80 for the credit card account in Mr H's sole name – being £2.99 in total.

Mr H says NatWest has "cashed in" on the fact that the other creditors listed on the document agreed to write off their debts.

But, having considered the matter, I'm satisfied that is not the case. NatWest agreed, from September 2019, to accept total monthly payments of £2.99, which is what Mr H and his late wife had indicated was affordable. It hasn't increased that amount despite the fact that many of the other creditors don't require any of the proposed repayments set out on the income and expenditure calculation.

I agree with our investigator that when Mr H and his late wife contacted NatWest about their circumstances, we'd expect it to treat them positively and sympathetically. But that doesn't mean we'd expect it to write off their debts.

Mr H says NatWest told him he didn't meet its "acceptance criteria" to write off the debts. He says NatWest hasn't set out what the acceptance criteria is. And he says he's provided it with all the information it requested.

I've considered what Mr H has said here. I agree that the letter of 3 September 2019 doesn't define what the "acceptance criteria" is. But that letter was summarising the content of the previous letter dated 14 August 2019. In that letter NatWest set out a number of things that it'd considered before making the decision not to write off the debts. This included the fact that Mr and Mrs H were homeowners, there was surplus monthly income of £30 and the outstanding balance amount. So, taking those factors into account, it had decided not to write off the debts.

I've also considered the other actions NatWest has taken in this case. I can see it hasn't been applying any fees or interest to the accounts for some time. It hasn't initiated any form of legal action to seek to recover the outstanding amounts. And, it has also shown a willingness to review the repayments that are required to be paid under the repayment plan. I think these actions have been positive and sympathetic.

Mr H says that NatWest has shown a preparedness to off load debts to others. He's referred to the credit card account which he says was managed by a third party for many years but returned to NatWest when it was impractical to manage the repayment offer that had been made.

I can see that the credit card debt was managed by a third party. The debt had not been sold to that third party. And in those circumstances, NatWest was able to bring the account back under its own administration so that its Specialist Support Team could manage it. I think that was fair and reasonable.

When Mr H wrote to NatWest in July 2019, he indicated the amount he could afford to repay. That amount was £2.99 per month. As mentioned above, NatWest has agreed to accept this amount. Mr H is correct when he says it will take a very long time to repay the outstanding debt, based on this monthly repayment. And, I've noted what he says about the judiciousness of NatWest's actions, given his age.

In these circumstances, Mr H thinks it would be fairer and more compassionate simply to write off the debt. But, as our investigator said, it isn't for our service to interfere in a decision which NatWest is entitled to make. Nor, can we require it to take the same action as other creditors have taken.

So, having considered everything here, I'm satisfied that NatWest has acted fairly and reasonably. Even though Mr H wanted NatWest to write off the debt, it has agreed instead to accept reduced monthly repayments. And, based on the income and expenditure information he provided to NatWest, it is the case that Mr H agreed he could afford this level of monthly repayment.

I know that Mr H's circumstances have changed as a result of the recent death of his wife. NatWest says Mr H can speak to its Specialist Support Team to discuss his changed circumstances and it will be able to consider whether the proposed repayments remain affordable or if they need to be amended. I think that's fair and reasonable.

I know this will come as a disappointment to Mr H. But, having considered everything here, I think NatWest has acted fairly and reasonably.

### **My final decision**

For the reasons given above I do not uphold this complaint about National Westminster Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H, in his own

capacity and as the representative of the estate of Mrs H, to accept or reject my decision before 15 December 2020.

Irene Martin  
**Ombudsman**