

## **The complaint**

Ms S complains about the way National Westminster Bank Plc (NatWest) dealt with her request to remove her name from a joint account.

## **What happened**

In early 2018, Ms S and her ex-husband visited a local branch of NatWest to remove her name from their joint account. Ms S said she'd never used the account or associated card. She said she was told her card would be deactivated immediately. So, Ms S thought she was no longer associated with the account – or liable for the account's overdraft of £912.

Ms S thought all correspondence concerning the account would go to her ex-husband's address, rather than where she was living. But as she continued to receive text alerts about the account, Ms S contacted NatWest again and subsequently complained.

Ms S indicates that she further chased the bank, but was later told that her name hadn't been removed from the account as incorrect forms had been completed.

In June 2018, Ms S and her ex-husband visited NatWest to complete a second set of forms. Ms S said she was told her request would be processed within days. While in branch Ms S gave her new contact details - including a current email address.

In July 2018 NatWest wrote two letters to Ms S and her ex-husband. The first to advise that Ms S' name would remain on the account until the overdraft was paid off in full. And the second letter when NatWest issued a default notice as the account remained overdrawn. Both letters were sent to Ms S' ex-husband's address. Ms S says she didn't receive either letter.

In December 2018, Ms S received a call from a debt recovery company about the outstanding overdraft. In March 2019 Ms S wrote to the company to explain about her request to remove her name from the account. Ms S said she thought the matter had been dealt with as she was aware her ex-husband had set up a repayment plan for the debt.

In April 2019 Ms S contacted NatWest as she'd changed her name by deed poll. Ms S sent several emails requesting her email address and name were updated on their system. But while NatWest acknowledged one of Ms S' emails they continued to correspond to her previous email address.

NatWest issued a final response letter to Ms S in May 2019. In it, NatWest acknowledged she'd been given incorrect information about removing her name from the joint account when she attended the local branch. They said she shouldn't have been told she could remove her name from the account while it was overdrawn. NatWest also acknowledged that Ms S' email address hadn't been updated on their system - meaning emails had been sent to an old email address.

NatWest offered Ms S £250 in compensation to reflect the trouble and upset this had caused her. NatWest advised Ms S to contact the debt recovery company to discuss and arrange suitable repayment, as she remained liable for the outstanding debt.

As Ms S didn't agree with NatWest, she contacted our service to complain. She said her credit file had been affected as the account had defaulted and remained unpaid.

Our investigator's view was that Ms S' complaint should be upheld in part. The investigator asked NatWest to allow Ms S the option to repay the outstanding balance. And if repaid in full, remove her from the account as initially requested.

The investigator noted that if the balance was repaid in full, NatWest was to remove the default from Ms S's credit file and any negative markers relating to the account.

The investigator noted the level of compensation NatWest had offered didn't reflect the significant problems Ms S had faced. So, he asked NatWest to award Ms S a further £100, so the total paid to her was £350.

NatWest responded to the investigator's view and agreed to pay Ms S £350 in total. NatWest also agreed to give Ms S an opportunity to pay the outstanding overdraft and said if the outstanding amount was paid off, they'd amend Ms S' credit file to reflect this.

Ms S remained unhappy and said she thought £800 better reflected the level of stress she'd been caused, so the case was referred 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.

Having done so, I'm going to uphold Ms S' complaint in part. I'll explain why.

### **Putting things right**

I've considered whether NatWest should remove Ms S' name from the account and whether Ms S should remain liable for the outstanding debt.

I sympathise with Ms S as I understand it's not disputed that the spending on the account wasn't hers. But the terms and conditions for a joint account are clear regarding liability, and this isn't something I can ask NatWest to change.

#### *Terms and conditions*

*'You're all responsible to pay back any overdraft on your account. This means that we can ask all or just one of you to repay the full amount of any money you owe us and not just a share. This applies even if you're unaware that an overdraft has been used on your account.'*

As I understand it, NatWest can consider whether to remove one party from a joint account – but it's not an automatic right. NatWest would need to consider whether it's affordable for the remaining party to take on any outstanding obligation - in this case the outstanding overdraft. Both parties would remain responsible for any debt on the account until an assessment takes place.

In this case, NatWest decided to retain both names on the account until the overdraft was paid in full. Again, this isn't something I can ask NatWest to change. Only a change in the financial standing of Ms S' ex-husband could impact on whether NatWest was prepared to reconsider their decision to remove Ms S' name from the account. And this would require a further application from both parties.

I've considered next how NatWest administered the process and the subsequent impact on Ms S.

I can see from the account notes provided by NatWest that letters were sent to Ms S' ex-husband's address, rather than where Ms S was living. In particular, the letter advising Ms S that her name would remain on the account until the overdraft was paid in full, and the formal notice to file a default on the account as it remained unpaid. The terms of the account allow the bank to only communicate with one address when dealing with a joint account. With the benefit of hindsight, it might've been better practice for NatWest to make an exception and write to the parties at separate addresses. But I don't think NatWest acted unreasonably in sending letters just to Ms S' husband's address.

I accept Ms S' assertion that she was not aware of the July 2018 letters. So I've thought about what might've happened had Ms S received them on time. I accept that Ms S believed the matter was resolved and that she was no longer party to the account. But I'm mindful that she never received nor, as far as I'm aware, sought any further confirmation of this from NatWest, even in December 2018, when contacted by the debt recovery agents. Ms S disputes her ongoing liability, particularly as the debt was accrued by her ex-husband. And I've not seen any evidence to suggest that Ms S would've settled the debt, had she been aware of it any earlier. Ultimately, Ms S remains liable for the debt, but has an opportunity to resolve matters now and for her credit file to be updated accordingly.

I can see NatWest have agreed to allow Ms S some time to pay off the outstanding balance. Should she choose to do this, NatWest will then update Ms S' credit file. My understanding is that the account is now closed. But if it remains open, once the debt is paid off, I'd expect NatWest to remove Ms S' name from the account as she originally requested.

Ms S might wish to register a notice of correction on her credit file relating to the debt, providing information about how the default arose.

I can see Ms S sent an email in May 2019, concerning a change in name. From the account notes provided by NatWest, I can see a letter was sent out to Ms S to explain that Ms S would need to attend a local branch to achieve this. But as I can't be sure Ms S received this letter, I can understand Ms S' frustration in this request not being fulfilled. We've subsequently passed on information to Ms S from NatWest, indicating that to comply with customer verification procedures, she'd need to attend branch with the paperwork and appropriate identification so that the documents can be certified and passed for processing.

NatWest has accepted that there were failings and has agreed to pay £350 compensation. I appreciate this has been a protracted situation for Ms S and that the misinformation she received, administration failings and subsequent realisation of her ongoing liability for the debt will have caused distress and inconvenience. Ms S now has clearer information about how to resolve matters, albeit I accept the solution may be unpalatable to her. But overall, I think £350 is fair compensation to reflect the trouble and upset caused.

### **My final decision**

For the reasons I've explained, I'm upholding Ms S' complaint in part. I direct National Westminster Bank Plc to:

- Pay Ms S £350 compensation to recognise the trouble and upset caused.
- Contact Ms S to see if she wants to arrange a payment plan – and, if she does, agree an affordable one with her.
- If the debt is cleared, update Ms S' credit file accordingly, removing any negative markers.

- If the debt is cleared and the account remains open, remove Ms S' name from the account, as she originally requested.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 20 August 2020.

Sarah Watts  
**Ombudsman**