

The complaint

Ms S complains that National Westminster Bank Plc ("NatWest") contacted her about an account she wasn't aware of.

What happened

Ms S contacted this service and said she'd received a letter from NatWest's Debt Management department about an account she knew nothing about. She said she had two outstanding loans with NatWest but that she'd been contacted about a third outstanding account which she didn't know existed. She asked to see the account opening paperwork for this account and evidence of the debt.

In relation to the accounts she was aware of, Ms S said these had been merged into one account. She said she'd been paying off the debt by monthly instalments since around 2009. She requested statements from 2009 to date to show payments she'd made and the amount outstanding. Ms S also said that, in 2012, she'd complained to NatWest about payment protection insurance ("PPI"). That complaint was upheld by this service and it was decided that she was entitled to some redress. But Ms S said the redress hadn't ever been paid.

Our investigator put these queries to NatWest, who confirmed that Ms S held three accounts: a loan account, an overdrawn current account and a savings account. They said all three accounts were with their Recoveries Department, which had amalgamated the outstanding loan balance and the overdraft, which they viewed as one debt of around £8,900. The savings account was in credit by a small amount, which NatWest transferred to the current account where it was offset against the overdrawn balance. To avoid any further confusion around the three accounts, NatWest closed the savings account in February 2020, leaving just the loan and overdrawn current account in place. These are currently with a collections agency (which I'll refer to as Z) which has been appointed by NatWest.

NatWest said they no longer have the original account opening paperwork due to the amount of time which has passed. And they no longer hold statements going back to 2009, but they said they could provide statements from 2010 onwards. NatWest ordered these for Ms S but she didn't receive them, so our investigator sent the transaction lists for the accounts to her instead.

As to the PPI, NatWest confirmed that the redress hadn't been paid. They calculated the amount of the redress at around £5,700 and applied this to Ms S's outstanding debt in February 2020. This left an outstanding balance of around £3,100 in total.

Our investigator didn't think NatWest needed to do anything more, as she thought they'd acted fairly. She didn't consider the delay in paying the PPI redress, as that's being looked at under a separate complaint reference.

Ms S didn't agree with the investigator's findings and asked for her complaint to be reviewed by an ombudsman. She says NatWest have treated her badly by not paying the PPI redress for all this time. And she doesn't think it's fair that, now it has been paid, it's been offset against the outstanding balance. Ms S says she would like to use part of the PPI redress to

pay off some of the debt. But she thinks it would be a fair outcome for her to keep the rest and for NatWest to write off the remaining balance as compensation for the distress and inconvenience this situation has caused her over several years.

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 realise Ms S feels very strongly about the time it's taken for the PPI redress to be paid. But that's being looked at separately under a different complaint reference, so I'm not making a decision about that here.

In relation to the third account Ms S was contacted about, I've seen three letters which NatWest's Debt Management department sent to her in December 2019. They each referred to a different account number and said that account had been passed to their new collection agent, Z. The letters said that Z would contact Ms S to discuss repayment options. So Ms S received three letters about three different accounts and the letters indicated that all three accounts had outstanding balances.

Looking at the account numbers on each of the letters, I find that they related to the loan account, the overdrawn current account and the savings account respectively. I'm satisfied that these are all accounts held by Ms S.

I can understand that the letter about the savings account could have caused some confusion. That's because the account was in credit – yet the letter referred to repayment options and appointment of a collections agency. But I don't think the letter caused any significant detriment to Ms S. That's because NatWest weren't actually seeking to recover any payments from her in relation to that account. They've acknowledged that it was in credit. And they've now moved the balance across to the current account and closed the savings account. So there won't be any need to send further letters about this account, and further confusion can be avoided.

NatWest don't have the account opening paperwork for Ms S's accounts, due to the amount of time which has passed. But I'm satisfied that Ms S held these three accounts at the time NatWest wrote to her. From the information available, I note that the loan account was opened in 2005 and the current account was opened in 1998. The last approved increase to the overdraft limit was in 2007. From the information available, I'm satisfied that Ms S was aware of the loan and the overdraft.

NatWest have explained that, where a customer owes money on more than one account, their Recoveries department combines the outstanding balances and pursues them as one debt. So the loan and the overdraft have been merged in that sense. But NatWest have explained that both accounts do still exist separately in order to receive credits. So it's possible that letters may be sent out (possibly by the collection agents) referring to one or both of the original account numbers. It's possible that's caused some confusion here. But I'm satisfied that the letters I've seen relate to the loan account, the overdrawn current account and the savings account held by Ms S. I haven't seen any letters referring to any other accounts.

I haven't seen the account opening date for the savings account. But there's no suggestion of any debt being due in relation to that account - it was in credit and has now been closed.

When our investigator considered the complaint, NatWest were experiencing some issues with their systems which meant they weren't able to re-send the statements Ms S has asked

for. I'm satisfied that they've recently re-ordered the statements from 2010 onwards with the aim of sending them out to Ms S. But NatWest say they can't guarantee they'll be able to retrieve the statements. Hopefully they can be sent to Ms S. But in the meantime, she's been provided with transaction lists which show payments into the accounts and the outstanding balance. I think that's reasonable, so I'm not going to direct NatWest to do any more in this respect.

The PPI redress has now been offset against the loan and overdraft debt. Ms S is unhappy about it being used in this way. But the final decision in the PPI complaint said it was reasonable for the payment to be offset against the debt. So, as that issue has already been decided by this service, I'm not going to look at it again here.

Ms S would like the remainder of the debt to be written off, in order to recognise the distress and inconvenience she's experienced. I realise she feels strongly about this. But I'm not going to ask NatWest to write off the remaining balance. As I explained above, in making this decision I'm not looking into any delay in paying the PPI redress. And, taking the issues of this complaint into account, I haven't seen anything which makes me think it would be a fair outcome for NatWest to write off the balance, given that Ms S has had the benefit of the money the loan and overdraft provided.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 21 July 2020.

Katy Kidd
Ombudsman