

The complaint

Mrs J complains that National Westminster Bank Plc (NatWest) contacted her to pay an outstanding debt that she says she'd already paid off.

What happened

Mrs J received a letter from NatWest around February 2020, letting her know that that a debt she owes had been passed to a third-party debt collector. Mrs J complained because she believed she'd paid off the debt several years ago and says that NatWest provided a poor level of service when she got in touch about this letter. NatWest told Mrs J that she owes around £8,950.

Mrs J says she arranged a repayment plan in 2010 via a third-party company – who I'll refer to as "D". Mrs J says that her understanding, based on D's advice, was that NatWest accepted the offer of a repayment plan and that she paid all the agreed instalments on time. Mrs J believes she paid off her debt around five years ago.

NatWest confirmed it received a repayment offer from D but says this was rejected at the time. It also says that Mrs J didn't keep up with her repayments so, even if the bank did accept the offer, this would've amounted to a breach of the agreement anyway. NatWest agreed that it had provided a poor level of service to Mrs J and confirmed that she still owed the debt.

Mrs J asked this service to step in. She says this experience has caused her a lot of stress. As a resolution, she wants NatWest to clear the debt and pay her compensation.

Our investigator didn't think NatWest acted unfairly when it wrote to Mrs J about the debt. The investigator was satisfied that NatWest had sent a letter rejecting the offer D had put forward and had seen evidence indicating that the instalments weren't paid every month – so the agreement, had it been in place, would've been breached. The investigator also concluded that Mrs J received a poor level of service from NatWest and recommended the bank pay her £100 compensation to put things right.

NatWest agreed to pay £100 compensation for the poor level of service it provided. Mrs J questioned how D's offer could've been rejected without her knowledge and why she wasn't contacted about the debt between 2015 and 2020. Mrs J feels the evidence NatWest provided isn't sufficient proof that it sent a letter rejecting D's offer and that it should provide a copy of the actual letter. Mrs J added that she paid all her instalments on time.

As Mrs J didn't agree, the complaint had been passed to me for a final review.

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 share the investigator's opinion and I'll explain why:

- NatWest says it rejected the repayment plan offer it received from D and wrote to Mrs J to let her know. Unfortunately, it no longer holds an exact copy of the letter for me to see – given the length of time, I don't think it's unreasonable that the bank no longer has a copy. NatWest instead provided a copy of its internal notes on Mrs J's account showing a letter was sent in March 2011. The bank also provided several letter templates, as an example of what Mrs J would've been sent at the time. In addition, the bank's internal notes show that it called Mrs J twice in April 2011 and advised her that the offer hadn't been accepted. On balance, I think NatWest did send a rejection letter to Mrs J at the time and I think it did enough to let her know that the offer from D had been rejected.
- Mrs J queries why she hadn't been contacted about the debt since 2015 – which is when she thinks the debt had been paid off. However, I've seen copies of letters NatWest sent Mrs J between 2016 and 2019 – each letter sets out the outstanding balance that was owed. Mrs J confirms receipt of these letters but says she received advice to ignore them. I can't comment on advice Mrs J was given by a third-party. My role is to determine whether NatWest has acted unfairly. In this instance, NatWest has regularly written to Mrs J to keep her updated on the balance she owed – so I think the bank did enough to make sure Mrs J knew that she still owed it a debt.
- The investigator's opinion and NatWest's own conclusions regarding this complaint is that Mrs J received a poor level of service from the bank when she got in touch about this issue. I won't explore what happened in too much detail as NatWest already accepts that the service it provided could've been better and agrees that £100 compensation is fair. Having reviewed the content of the calls, I can see the issues Mrs J experienced included having to make several calls in a short space of time, being passed around call handlers, periods of being placed on hold and being advised to call the third-party debt collector only to find that it held no records of her debt.

I share the investigator's opinion on this point and agree that £100 is a fair way for NatWest to compensate Mrs J for the stress and inconvenience it caused her.

Putting things right

In summary, I think NatWest acted fairly when it wrote to Mrs J about her outstanding debt. I also think it did enough to let her know that the offer put forward by D wasn't accepted and has since kept Mrs J regularly updated regarding the balance she owes. I'll be asking NatWest to pay Mrs J £100 compensation because of the poor service she received from the bank over the phone.

My final decision

I'm upholding this complaint in part and instruct National Westminster Bank Plc to pay Mrs J £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 7 January 2021.

Abdul Ali
Ombudsman