

## **The complaint**

Mr B is unhappy with how National Westminster Bank Plc (“NatWest”) are dealing with his debts.

## **What happened**

Mr B has an overdraft and loan with NatWest, both of which are in arrears.

This service has previously dealt with a complaint about the affordability of each product when they were granted to Mr B. It was decided the overdraft increases were affordable but additional checks could have been made by NatWest at the time the loan was taken out to determine its affordability for Mr B. In settlement of that complaint, NatWest agreed to remove the interest and charges associated with the loan account.

Due to his ill health, Mr B had previously been referred to the specialist support team (“SST”) within NatWest in order to help arrange a suitable repayment plan for the debts. But, as they were unable to reach an agreement, NatWest’s normal debt management process was resumed, and his debt was passed over to a third party to collect. The investigator also decided NatWest should return the debt to the SST and a further attempt should be made to help Mr B reach an acceptable repayment plan now the interest and charges had been removed from the loan account.

This complaint focusses on what happened from that point on.

The debts were referred back to the SST in December 2019. However, after not being able to reach a suitable repayment plan with Mr B, and with no further payments being made by Mr B towards his debts, around September 2020 NatWest indicated it was preparing to again follow its normal process to recover the debt.

Mr B complains his debts weren’t sent back to the SST in a timely manner and he was sent letters demanding the repayment of the debts. He also complains he has sent letters to the SST and hasn’t received a response. He wants to be returned to the position he would have been in before NatWest caused him problems however, he hasn’t been specific as to what point he believes this to be.

NatWest responded and said it implemented the recommendations from the last complaint with this service. The SST have been trying to arrange a repayment plan, but Mr B hasn’t co-operated with it. It put forward a £1 a month repayment plan but this wasn’t accepted. NatWest confirmed it hadn’t received any of correspondence Mr B mentions he sent.

Our investigator looked at the complaint. She told Mr B she was satisfied his accounts were referred back to the SST and the interest and charges had been refunded to the loan as directed. She did identify while the account was in the process of being moved back to the SST a letter was sent to Mr B which would have caused him confusion and so she recommended NatWest pay £150 compensation for this. However, she thought NatWest had acted reasonably in how it had been attempting to contact Mr B to arrange a payment plan and its offer accepting £1 a month was also reasonable. She didn’t intend to interfere with

how NatWest was proposing to pursue the debt moving forward.

Mr B didn't agree and asked for the complaint to be looked at by an ombudsman.

### **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.

In order to help me understand this complaint further, I've listened to the call Mr B had with NatWest in April 2020.

In that call, Mr B focusses on what has happened previously. Mr B has said he wants to be put in the position he would have been in before NatWest caused him problems. He feels NatWest's original debt collection actions hampered his recovery from his heart attack and it changed his account and removed benefits from it that were useful to him. He holds NatWest responsible for the fact he will be unlikely to work again in the future. He said he wants NatWest to sincerely apologise, take responsibility and put forward a solution as to how they will make the matter right.

During the call the adviser suggests a £1 a month repayment plan but Mr B says he isn't in a position to be held liable for any of the debt due to his limited income. He wants to take advice before agreeing to anything and primarily, he wants to hear from NatWest first before discussing how the matter can move forward.

Having listened to the call, I think it's important to stress here that I won't be relooking at the complaints this service has already considered. Those complaints have found that NatWest acted correctly in how it took his loan repayments from his current account and the changes NatWest made to the accounts it offered, wasn't something this service would get involved in.

They also concluded Mr B's debts had previously been referred to the SST but having not received any information, NatWest was forced to start its normal debt recovery process. It was determined the overdraft was affordable for Mr B and although further affordability checks could have been made for the loan, Mr B had received benefit of the funds and therefore they are owed to NatWest.

The resolution from those complaints was that NatWest should repay any interest and charges incurred on the loan and moved both debts back to the SST so they could again try to reach an acceptable repayment plan with Mr B. Which NatWest did.

I have therefore looked at what has happened since the last complaint.

NatWest has attempted to contact Mr B many times to obtain information to help it work with him to reach an acceptable payment plan. I appreciate Mr B has said he has sent information to NatWest about his income and expenditure, but he was told in April that information hasn't been received. I can't see that Mr B has made further attempts to ensure NatWest has the information it needs. And, because it didn't have the required information, I don't think it was unreasonable of NatWest to continue contacting Mr B.

I also understand, even without the information, NatWest offered Mr B the opportunity to enter into a £1 a month payment plan for his debts, however Mr B has refused this. I think this was a reasonable offer for NatWest to make.

Having reviewed everything, I don't think NatWest has acted unreasonably in how it has tried

to engage with Mr B to reach a suitable repayment plan for his debts. As no arrangement has been reached and Mr B has not made any payments towards his debts in the meantime, I don't think NatWest is acting unreasonably now by looking to pursue the repayment of the debts through its usual channels.

I understand Mr B is in ill health and he holds NatWest responsible for the position he finds himself in however going forward he will need to co-operate with NatWest (or any other party) and engage with them to arrange a suitable repayment plan for the debts.

As the investigator identified, a letter was sent to Mr B while the debts were being transferred back to the SST. I do agree this would have caused Mr B some concern and I think £150 compensation is a fair and reasonable amount for NatWest to pay Mr B to recognise this.

### **Putting things right**

NatWest should pay Mr B £150 compensation.

### **My final decision**

I uphold this complaint and direct National Westminster Bank Plc to pay Mr B £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 March 2021.

Alison Gore  
**Ombudsman**