

The complaint

Mr L complains that National Westminster Bank Plc (NatWest) are pursuing him for a debt.

What happened

On 3 March 2021, the balance of Mr L's joint account with his wife was £2,328.01 debit - with an overdraft limit of £2,500. On 4 March 2021, £5,000 was paid into the account. The balance was then £2,618.45 credit. On 5 March 2021, Mr L went to a branch of NatWest and asked that his name was removed from the joint account he held with his wife. The form was signed by himself and his wife. On 5 March 2021, a payment of £5,000 was made from the joint account, leaving an overdrawn balance of £2,331.55 debit. As at 10 May 2021, the balance was £2,492.39 debit.

Mr L complained. He said he was told in the branch that his name would be removed immediately. He was now being chased by NatWest for the outstanding debt. He said his wife was going through an IVA and it wasn't fair that he was being asked for the debt – as well as her under the IVA. His credit file was now marked, and he was having difficulty in getting a mortgage.

NatWest said they didn't have any notes of what was said at the branch visit on 5 March 2021. But their process was that it could take three to five working days to take someone off a joint account, or longer if there was an overdraft facility. This was because they had to complete their credit checks. Therefore, Mr L was liable for the debt on the account and had to repay it.

Mr L brought his complaint to us. Our investigator said NatWest had acted fairly. NatWest had told Mr L that he was jointly liable for the debt with his wife, and he agreed with that. They'd acted in line with their processes – which said they needed to assess the overdraft facility, so Mr L's name couldn't be removed on the same day.

Mr L disagreed and asked that an ombudsman look at his complaint.

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 can see where Mr L is coming from – as he says he was told by NatWest when he visited it on 5 March 2021 - that his name would be taken off the account on the same day. If that had happened, then he says he wouldn't be liable for the debt on the joint account – and NatWest are now asking that he pays that off. He says he can't afford to do that. He wants to get a mortgage but is finding that difficult – because his credit file has been marked.

I've looked at what happened here. NatWest don't have a record of what was said when Mr L visited the branch. So – I must form a view based on the probability of what happened.

Mr L gave NatWest an authority to remove him from the joint account in the name of himself and his wife. I can see that this form was signed by both Mr L and his wife and dated 5 March 2021. It said *"Please note that with the changes to account ownership, we will need to review the lending arrangements on the account. This could involve an internal credit assessment on the remaining party. All parties, including the party being removed from the account, will remain liable for any outstanding facilities until this assessment has been completed."* So – the form says that if there was an overdraft facility, they'd need to review it – and until that took place, both parties were liable for the debt. There was an overdraft facility of £2,500 – so NatWest needed to check what the position was with that. And NatWest then wrote to Mr L on 12 March 2021 and said that – having looked at the overdraft – that both Mr L and his wife were liable for the debt. This was because they were relying on the income of both Mr L and his wife for the overdraft. The letter said *"...the borrowing was agreed on affordability of both parties"*. It went on to say that until the debt was repaid *"both parties remain jointly liable for the debt."* I also looked at NatWest's operating procedures – and they also say that a period of time was needed before someone was taken off a joint account – because of the need to assess the overdraft facility. NatWest told us that the instructions were made clear to staff.

It's standard for banks to consider holders of a joint account 'jointly and severally' liable for any debts on it. This means – that both parties were liable to repay the balance of the overdraft - in this case, £2,331.55 – as at 5 March 2021. So – while I can't comment on the terms of Mr L's wife's IVA, it would be normal for the debt to be shown in her IVA. But even if that were the case, Mr L would also remain liable for it as part of the agreement he had with NatWest.

Mr L told us that a credit of £5,000 was paid into the account on 4 March 2021 and a payment out of £5,000 was made on 5 March 2021. This left the debit balance of £2,331.55. I looked at the bank statements and agree that this was the case. But – I can also see that the payment of £5,000 was made to an account in Mr L's name – at another bank. I make no other comment than record that that's what the bank statement shows.

And so – I think that NatWest acted fairly – and I won't be asking them to do anymore here. Mr L remains liable for the debt. I think he should talk to NatWest about it and if he's in financial difficulty, see if they can help him – but that's down to NatWest to decide.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 November 2021.

Martin Lord
Ombudsman