

The complaint

Mr D complains that National Westminster Bank plc acted unfairly when it defaulted his account.

What happened

Mr D had a current account with NatWest. There was an agreed overdraft on the account which was for £13,000. Mr D says he was abroad during 2020 due to the coronavirus pandemic and he wasn't able to access post sent to his address in the UK. He says this meant he didn't receive various warning letters or a default notice about his current account.

Mr D says NatWest did continue to send him emails and text messages, during this period, but none of the texts or emails told him it intended to default his account. He says the emails and texts only stated he should contact NatWest if he wanted to avoid fees on his overdraft. He complained to NatWest.

NatWest investigated his complaint. It said the last credit he'd made to his account was on 4 January 2019. His account was passed to the recoveries team in October 2020. Several warning letters, a default notice and a termination letter had been sent to the address which NatWest held on its records. Mr D hadn't told it he was abroad. It said it had also tried to contact him by telephone, using the number it held on its records, but that hadn't been successful. So, it didn't uphold his complaint.

Mr D wasn't satisfied with this response. He complained to our service. After the complaint was referred to our service NatWest offered Mr D £100 for trouble and upset he'd been caused. But, it didn't agree it had done anything wrong when it had defaulted his account.

Our investigator looked into Mr D's complaint. She said that an overdraft was repayable on demand. Mr D hadn't made any payments into his account after January 2019. It wasn't until October 2020 that his account had been referred to the Collections team. She thought this had given Mr D sufficient time to make a payment into his account or contact NatWest. She noted that various warning letters had been sent to Mr D. He hadn't told NatWest he was abroad or given it an updated address to contact him. She thought the offer of £100 was fair and reasonable. She didn't think NatWest should be required to do anything further.

Mr D didn't agree. So, the complaint was passed 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.

Mr D doesn't dispute that NatWest sent letters to his address asking him to contact it. It also sent letters to his address warning him that the overdraft would be withdrawn if he didn't contact it or make a payment. The default notice and termination letter were also sent to his address. But, Mr D says that NatWest should've sent warnings to him by telephone and

email also. He thinks that would've been reasonable given that he was out of the country due to the coronavirus pandemic.

Mr D has told us NatWest was able to send him emails and text messages about his account. But, he says none of the emails or texts warned him that the overdraft was going to be withdrawn. He thinks that was unfair.

I've thought about what Mr D has said here. He's sent a copy of an email dated 29 October 2020 which NatWest sent to him. This stated in bold –

"Please contact us – we want to help with reducing your overdraft balance."

The email included details about the overdraft costs Mr D was incurring and explained how NatWest could help him. Whilst the email didn't say that NatWest had referred his account to its collections team, I think the content of the email was sufficient to alert him that he needed to contact NatWest about reducing his overdraft. He didn't do that.

Mr D also hadn't told NatWest he wasn't living at his UK address during this time. The terms and conditions stated that he needed to provide up to date contact details to NatWest so that important documents could be sent to him. So, I don't think NatWest did anything wrong when it sent the warning letters, default notice and termination letter to the address it held for Mr D on its records.

NatWest's terms and conditions also made clear that an overdraft is repayable on demand. This meant that even though Mr D had an arranged overdraft, NatWest was able to ask him to repay it at any time. Mr D was getting his statements online. He would've known his account had been overdrawn for some time and that no credits had been made to it since January 2019. So, when NatWest made clear it wanted him to contact it, I think it's reasonable to have expected him to have done that to check the position regarding the status of his overdraft.

I've also noted that NatWest did try to telephone Mr D on at least three occasions, using the number it held on its records. It did that on 12 November 2020, 27 November 2020 and 12 December 2020. All of these attempted calls were made prior to the date that NatWest issued the notice of default. So, I'm satisfied NatWest did make reasonable attempts to contact Mr D before it defaulted his account.

Since the complaint was referred to our service, NatWest offered to pay Mr D £100 by way of compensation for trouble and upset he'd experienced as a result of what happened. So, it has accepted that Mr D experienced upset. But, it hasn't accepted that it did anything wrong when it defaulted the account. I'm also not persuaded, on balance, that NatWest did anything wrong when it defaulted Mr D's account.

Mr D didn't accept NatWest's offer. But, having considered everything here, I think NatWest's offer is fair in all the circumstances. I don't require it to have to do anything further to resolve this complaint.

My final decision

For the reasons given above, I uphold this complaint about National Westminster Bank plc.

National Westminster Bank plc has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that National Westminster Bank plc should pay Mr D £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 April 2022.

Irene Martin
Ombudsman