

The complaint

Mr K complains that his credit file is showing two defaults for the same event in 2016 on an account he held with National Westminster Bank Plc (NatWest) and so he says NatWest has registered the default incorrectly.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving my reasons for my decision.

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 K says his credit file shows two default entries related to the same event on an account he held with NatWest. One of these is from NatWest, the other is from the business that NatWest sold his default debt to. He says the credit file should only show one defaulted account, and by showing two, it is adversely affecting his ability to get credit.

NatWest says that it followed the correct procedure in registering the default on Mr K's account in 2016 and when it later sold the debt to another party in 2020. NatWest says that his credit file shows the default position related to that account accurately.

Mr K has sent in a copy of his recent credit file and I've looked at it carefully. In my view it clearly shows that there is an entry from NatWest registering the default in 2016. And there is also another entry from the lender who bought the related debt.

However, NatWest has provided its records to show that when it sold the debt to the other party in 2020 it registered the debt as 'assigned and satisfied'. And Mr K's credit file reflects this in the paragraph under the NatWest account entry which says:

'The lender has sold the debt to another member of our information sharing scheme. The old account will have been closed and a new active account will show in the name of the lender who has bought the debt.'

In my view, this shows that it is more likely than not that NatWest has followed the correct procedures in 2016 and 2020 in this matter and has done nothing wrong.

The company that NatWest sold the debt to is now reporting information about this account – but that is a separate business to NatWest, so it's not something I can consider in relation to this complaint.

It may help to explain that generally though, when a lender sells a debt to a third party as NatWest has here, that third party will usually also report the status of the account. Here that would be that the account is in default. But Mr K can raise any concerns he has with the business that currently owns the debt.

My final decision

My final decision is that I do not uphold Mr K's complaint against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 February 2023.



Richard Hill
Ombudsman