

The complaint

Mr A complains that National Westminster Bank Plc wrote to him about an old debt on his credit file, and he complains about how NatWest then dealt with his complaint.

What happened

Mr A told us that he had a joint mortgage with a former partner. They then separated, and Mr A reached a partial settlement for his liability in 2012. Mr A said that he found out in 2018 that the outstanding balance was still showing on his credit file. He told NatWest about this, and he said the issue was amicably resolved.

Mr A said more recently, he'd been sent a letter by NatWest to an address he no longer lives at. The letter was passed on to him, it told him he had an outstanding debt in relation to the mortgage, even though NatWest previously confirmed that he didn't owe any money.

Mr A said he raised a complaint with NatWest and specifically asked for a call before the complaint was resolved. He said that wasn't respected, he just got a letter saying that NatWest would pay him £100. Mr A was extremely unhappy with how NatWest had handled his complaint, including the tone of the call handler, and NatWest's repeated refusal to call him to discuss things before it wrote.

Mr A told us that this had brought back memories of a very difficult time and he told us about the impact this had on his mental health.

Mr A wanted NatWest to confirm that he wouldn't be pursued for this debt. He wanted NatWest to apologise for the distress the letter had caused him. He wanted to know why the letter was sent to an address he no longer lives at. He wanted to know why he wasn't called when he had specifically requested this. He wanted NatWest to understand the emotional impact this had had on him.

Mr A said that he had asked NatWest for £200 in compensation for the complaint, and a further £50 to reflect its terrible handling of his complaint.

NatWest said it was sorry that a letter had been sent to Mr A in error. It accepted that any suggestion he still had a debt was a mistake, and it said this letter had been issued as a clerical error. NatWest said it had taken steps to make sure this didn't happen again, and it offered to pay Mr A £100.

When NatWest wrote to us, it also said that it had arranged for Mr A's credit file to be updated. It said it had written to the address it held on file for Mr A. Mr A had since said he didn't wish to supply NatWest with updated contact information. NatWest thought it had done enough to resolve this complaint, and it wouldn't increase Mr A's compensation.

Our investigator thought this complaint should be upheld. She said NatWest had accepted that it got things wrong here. The letter received by Mr A in 2021 was sent in error and contained inaccurate information. This caused Mr A a great deal of distress.

Our investigator said she had considered both the seriousness of the mistake and the impact upon Mr A. She said that £100 would have been appropriate if this was the first time NatWest had made this mistake, but it wasn't. Mr A had had to deal with the whole issue over again, and he'd told us about how this impacted on him. So she thought NatWest should pay Mr A £200 to say sorry.

NatWest agreed, but Mr A didn't. He felt that our investigator hadn't taken fully into account how this issue had affected him, and particularly what had happened when he'd told NatWest that he wasn't happy with its written response. Because no agreement was reached, this case was passed to me for a final 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.

I've reached the same overall conclusion on this complaint as our investigator.

I'd like to deal first with some of the queries Mr A raised. I think NatWest sent this letter to him at the wrong address because that's the address it still held for him. I understand that Mr A wouldn't feel the need to update his address with NatWest, if he no longer has dealings with the bank, but I don't think it's wrong for NatWest to write to the last address it holds for him. However, I think NatWest has been clear that this letter was sent by mistake, it no longer considers Mr A owes it money. It has apologised, and it has taken steps to seek to ensure this doesn't happen again.

I think there are then two issues. The first is the compensation payment for issuing the letter, which Mr A asked NatWest to increase to £200, to take account of the impact that this had on him. NatWest has now agreed to do this. The letter in itself was issued as a simple oversight, which NatWest recognised quickly. And Mr A himself in his complaint to us accepted that the impact on other people might be small. So in other circumstances an apology may have been sufficient. But here, Mr A has described the impact this had on him personally and on his relationship, so I understand why he feels very strongly about this. I'm glad to see that NatWest has agreed to increase the compensation payment in this case, and I think that £200 provides a fair and reasonable outcome to this part of Mr A's complaint.

The second issue is how NatWest handled Mr A's complaint. Mr A has also detailed what he considers to be failings in NatWest's complaint handling procedures, because he didn't receive any call before his complaint response letter was issued by NatWest, and when he sought to speak to a manager after this, he was repeatedly refused. He also said that the tone of NatWest's complaint handler was unacceptable, and he showed no empathy.

Mr A has been clear that he considers NatWest should pay an additional £50 for how it handled his complaint. However, our service isn't able to make that award to him. Complaint handling isn't a regulated activity, and that means our service has no powers to consider a complaint point which is, as Mr A has set out here, solely about how NatWest dealt with a complaint. So I'm sorry to have to tell Mr A that I won't be able to comment on this aspect of his complaint.

My final decision

My decision is that National Westminster Bank Plc must pay Mr A a total of £200 in compensation. National Westminster Bank Plc can count towards that amount any payment it has already made to Mr A for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 December 2022.

Esther Absalom-Gough
Ombudsman