

The complaint

Mr K is unhappy that National Westminster Bank Plc has not written-off his credit card debt after defaulting his account over six years ago.

What happened

In December 2014 NatWest agreed a reduced payment plan with Mr K as he was struggling financially. It froze interest and charges on his account at this time. Mr K went to prison in May 2015 to serve an eight-year sentence so he contacted NatWest to let it know he would not be able to make any repayments during this time. NatWest acknowledged Mr K's circumstances and asked he get in touch on release. It defaulted the debt in August 2015. When NatWest was advised of Mr K's release in August 2022 it removed the hold on his account and contacted him to discuss a repayment plan.

Mr K says this has triggered recurring mental health problems for him. He says as a default only remains on a credit file for six years NatWest should have written-off the debt by now.

NatWest says whilst a default remains on a credit file for six years, the debt will continue to show on its records and it has not been written-off. This is in line with its policy in such circumstances and is why it contacted Mr K to discuss his income and expenditure in August 2022. It has made no error. It offered for its Specialised Support Team to manage Mr K's account ongoing if this would be of help to him.

Our investigator did not uphold Mr K's complaint. He found NatWest had made no error, it had not agreed to write-off the debt at any point.

Mr K asked for an ombudsman's review, he said he disagreed with the assessment based on the time of the default period.

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.

Having done so I am not upholding Mr K's complaint. I think NatWest has treated Mr K fairly. It has explained that in circumstances such as these it does not automatically write-off the debt after six years, and it has treated Mr K as it does all account holders in the same situation.

I can see it wrote to him on 15 September 2015 confirming it was placing his account on hold and that he should contact it with his proposal for repayment on release.

The six-year time period for a default to be reported on a credit file does not mean that the debt it relates to will be written-off after six years. So I don't find NatWest has done anything wrong. It is entitled to try to recover the debt Mr K owes it in line with the terms and conditions Mr K accepted when he opened the account.

I would urge Mr K to contact the bank to try to agree an affordable repayment plan. Equally, I

would remind NatWest of its obligation to treat Mr K fairly, and with forbearance.

I am sorry this has impacted Mr K's mental health but for the reasons set out above I don't find any failing on the part of the bank.

My final decision

I am not upholding Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 March 2023.

Rebecca Connelley
Ombudsman