

The complaint

Mr G complains that National Westminster Bank Plc has provided him with poor customer service in a number of areas.

What happened

Mr G switched his NatWest current account to a third party provider, but he was overdrawn at the time of the switch. Mr G says that NatWest have reported incorrect information to the Credit Reference Agencies (CRA's) as he was advised to place a hold on repayments while his complaint was under investigation. Mr G says that NatWest have been unable to locate evidence of all of his chat logs, and they haven't provided him with proof they sent him letters they said they sent him.

Mr G says he has encountered difficulties in clearing his account online, and he's experienced long waiting times to reach a live agent which has made it practically impossible for him to address urgent matters pertaining to his account. Mr G says that while he provides the chat agents with his customer number on each occasion, the agents allegedly failed to make any notations on his account/customer profile. Mr G made a complaint to NatWest.

NatWest partially upheld Mr G's complaint and offered him £50 compensation. They said there had been an unreasonable delay in resolving his complaint. NatWest said due to the fact they had been unable to locate all of the notes on their system, they couldn't establish who he spoke to and how long he was on hold, so they said they had no reason to doubt his events regarding these issues.

NatWest said the switch to his new account was due to be completed on 16 February 2023, which meant the overdraft on the account would be removed and any outstanding balance would need to be cleared, but on the date he switched out it was £252.64 overdrawn, so they passed his account to their collections team on 3 March 2023. They said they sent him an email and text on 12 March, and letters on 25 March and 5 April 2023 about the account. NatWest said they issued a default notice on 20 April 2023. They said his income and expenditure form showed Mr G had a deficit of -£338.45, so the agent gave Mr G the options in line with their internal processes based on his affordability.

Mr G brought his complaint to our service, and he raised issues with how NatWest handled his complaint and their investigation into his complaint. Our investigator said he thought the £50 compensation was fair. He said he couldn't see any evidence that Mr G was told that there wouldn't be any action taken until any complaint that he made would be investigated. He said the only communication he saw is where a breathing space had been agreed was the aforementioned letter of 5 May, which set out a 30 day period. This letter also explained that if no contact was made by Mr G within that time then NatWest would resume their contact with him. He said as Mr G's account remained in excess for several months, he was satisfied that in reporting this to the CRA's NatWest acted fairly.

Mr G asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that NatWest had incomplete chat logs, NatWest's response to his complaint took longer than it should have done for a final response letter, NatWest's

unresponsiveness to his calls and his emails hindered the ability to address this matter promptly, the purpose of the 30 day breathing space was for the complaint investigation, not for a financial assessment, the compensation doesn't compensate him for the considerable time and effort he's invested as a self-employed individual, as he's spent roughly 18 hours of his time on this.

Mr G said since the complaint was escalated to our service, there have been no further reports from NatWest regarding the account on his credit file. He said this observation leads him to believe that NatWest acknowledge some fault on their part, and they should rectify the earlier two months of reports when the complaint was initially made.

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.

Firstly, I'm aware that I've only summarised Mr G's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I must make Mr G aware that I'm only able to look into the complaint he originally made to NatWest. So although he's said since the complaint was escalated to our service, there have been no further reports from NatWest regarding the account on his credit file, I'm unable to investigate this point as this wasn't part of his original complaint, or part of the complaint he brought to our service.

Mr G's current account was due to switch to his new account on 16 February 2023, which meant his overdraft on the account would be removed, but Mr G's bank statement shows he was overdrawn by this date. So NatWest would have a duty to report accurate information to the CRA's. From the debt manager system notes NatWest have sent us, I can see they sent a text to Mr G on 12 March 2023 at 12:19pm asking him to call them on a specific telephone number, and again on 24 March 2023 at 10:13am which let him know they would be sending him a message from a specific number and included the wording *"please do not ignore this message"*.

NatWest then sent Mr G a text at 10:14am on 24 March 2023. The text included the wording *"We haven't heard from you regarding your account ending (last three digits of Mr G's account). Failure to contact us may result in your account accruing additional fees and interest. Reply 3 when you are ready to speak to a member of our team. All text replies will be charged at your standard network rate"*. But the debt manager system notes do not show any calls from Mr G, or any chats, or that he replied with "3" to speak to a member of their staff. So Mr G had already been in arrears for over a month by this point. So he ought to have been aware that there was a problem.

NatWest wrote to Mr G which their debt manager system notes show this letter was issued on 25 March 2023, the same date as displayed on the letter, and it shows the same address that Mr G provided to our service. This states that he still hasn't contacted them, shows his outstanding balance was £252.64 overdrawn, and the letter specifically says *"having an excess/missing payments could have severe consequences for your finances. We report any non payment to the credit reference agencies and this is likely to make obtaining credit more difficult in the future"*. So Mr G should have been aware that having an excess/non-payment would be reported to the CRA's. So I can't say that NatWest were unreasonable to report this to the CRA's.

NatWest wrote to Mr G again on 5 April 2023. This again told him it was really important that he contacted them. It again told him that *"having an excess/missing payments could have severe consequences for your finances. We report any non payment to the credit reference agencies and this is likely to make obtaining credit more difficult in the future"*.

Mr G was sent a text message on 17 April 2023 which included the text *"You've switched your account and there is still a balance outstanding, you need to speak to us urgently regarding this"*, and they provided the telephone number and opening hours of this department. They also sent him a default notice on 20 April 2023 which said *"If you are unable to repay your overdraft or agree an acceptable repayment arrangement by 24 May 2023, you will no longer be able to use your account and we will continue to pursue the outstanding balance"*.

The letter again told Mr G that if he didn't pay then *"having an excess/missing payments could have severe consequences for your finances. We report any non payment to the credit reference agencies and this is likely to make obtaining credit more difficult in the future"*. It's important to note that when this letter was sent out, Mr G had already been overdrawn when his overdraft was removed on 16 February 2023 (his switch date) for slightly over two months. So NatWest would have been entitled to report this to the CRA's.

I can see Mr G used the webchat facility on 4 May 2023. I have a copy of both chats he had on this date. This is where Mr G informs NatWest he is struggling financially. From when Mr G was told he was being transferred to a colleague and he was in a queue, it was a minute later when he was connected to the colleague. The chat agent tells Mr G *"What we would be looking to do is set you up on a plan to pay back the amount of £252.64, we can do this for a monthly amount, however, we will need you to complete an income & expenditure so we can ensure that the agreement is affordable"*. Mr G was given a link to an affordability tool and he was told *"Once you have completed the form there will be a link that takes you back through to us"*.

Mr G told NatWest on his second chat on 4 May 2023 that he had completed the form. He was told at 2:22pm that he was in a queue. He was connected to an agent with the same name as the first person he spoke to (likely to be the same person) at 3:01pm, so a 39 minute wait. Unfortunately there will be times where a service is busy and a customer may have to wait. While this can be frustrating, I'm not persuaded that this time was excessive to the point where compensation should be paid for this.

The agent told Mr G at 3:14pm that due to him showing a monthly deficit of £338.44 on the affordability information he provided them *"Ok based on the income & expenditure & the information you have provided, we would look to set you up on a financial hardship plan. This is a plan that would help you clear the debt & we would agree it for a minimum of £1p/m however there will be a default marker applied to your credit file for 6 years"*.

She then says *"Alternatively you can look into seeking free financial advice & we can give you a 30 day breathing space to do so"*. Mr G responds that *"I do not want anything on the credit report, I offered to pay £35 per month?"*. The chat agent says *"Unfortunately the income & expenditure shows that you have no affordability. This is money that was owed by you when you closed & switched the account. However if you are not happy with this we can raise it as a complaint for you today"*.

Mr G responds with *"The 30 day breathing space or whatever whilst I raise the complaint would be great"*. The chat agent says *"No problem, I will send the terms & conditions for the breathing space, this is granted for you to be in contact with financial advice company"*. So while Mr G wanted the breathing space while he raised the complaint, the agent told him that the breathing space was granted for Mr G to be in contact with the financial advice company.

But the reality is a 30 day breathing space was given here, and I'm not persuaded the reason why makes a difference to the complaint here as it was agreed the breathing space would be for 30 days. At 3:19pm the chat agent adds the breathing space to Mr G's account and tells him that this would allow him time to review his current situation and finances with a debt management company or deal with this himself. She tells him all interest and charges will be suspended and will recommence once the breathing space has ended. She tells Mr G if they haven't heard from him by the end of the breathing space then they would contact him again, and she says *"and we need to let credit reference agencies know about any missed payments, which could make it harder for you to get credit in the future"*.

So Mr G was not told that they wouldn't report his account activity to the CRA's during his webchats on 4 May 2023. As NatWest have not been able to locate the webchat Mr G had with them in June 2023, it's possible that Mr G was told that they wouldn't report activity on his account until his complaint has been resolved. But I can't evidence this either way. When NatWest sent us a copy of what they reported to the CRA's, I can see this showed two months in arrears followed by a "Q" marker, which would tend to be a Query marker and should have a neutral impact on his credit file (although different CRA's may interpret this marker differently). So this might be a reason why Mr G says that there have been no further reports from NatWest regarding the account on his credit file.

But I'm not persuaded that NatWest were at fault to register two missed/late payments on his credit file. From 16 February 2023 when the overdraft was due to be removed because of the switch date, to when he had his new chat with them on 6 June 2023, Mr G had over three full months where he was in an unarranged overdraft. While Mr G's credit file shows these missed payments as May and June 2023, I'm conscious that it can take a number of weeks for a credit file to be updated, but I can't say NatWest have made an error of updating the CRA's that there were two missing/late payments, as NatWest would have been entitled to report more than two missed payments.

So I won't be asking NatWest to amend Mr G's credit file when he had been in arrears for more than two months by the time he had his chat with them on 6 June 2023. But if Mr G has concerns that these late markers were registered in the wrong months then he may wish to make a complaint with NatWest on this point, so they can investigate this point. If he is dissatisfied with their response, then he may be able to bring this complaint point to our service.

I've considered what Mr G has said about NatWest's unresponsiveness to his calls and his emails hindered the ability to address this matter promptly. But the evidence suggests Mr G wasn't connected to an adviser, so they would be unaware he was ringing them, so no notes would be left on their system. The emails he sent NatWest are related to his complaint, and when he used the chat facility, it was proven that he didn't have the affordability to arrange a payment plan, so I'm not persuaded there would have been a different outcome if they had been able to answer his contact attempts quicker.

But I'm persuaded that NatWest provided Mr G with poor customer service on occasions by not responding to his complaint within 56 days of Mr G raising his complaint, or replying to his emails chasing up his complaint resolution, and the wait he's had to be connected to their staff.

So I've considered what would be a fair outcome for this complaint. I've considered what Mr G has said about the time he's spent on this complaint and his employment status. But while I've noted the strength of feeling from Mr G that £50 compensation is inadequate compensation, I must explain to him that our awards are not designed to punish a business

or to make it change the way it acts in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event.

So I'm persuaded that £50 is fair for the customer service issues that Mr G has faced. This is in line with our awards for what happened here, so it follows that NatWest should pay Mr G the £50 compensation they've already offered him for distress and inconvenience if they have not already done so.

My final decision

National Westminster Bank Plc has already made an offer to pay Mr G £50 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 £50 to Mr G if they haven't done so already. But I don't require them to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 February 2024.

Gregory Sloanes
Ombudsman