

The complaint

Mr M complains that National Westminster Bank Plc prevented him from receiving a loan from another provider.

What happened

Mr M had received loans from another financial provider on previous occasions but when he applied for a loan in August 2023, his application was declined. He asked the loan provider for the reason why he was declined and was told to contact NatWest. While the issue was resolved three days later, he says this caused him a lot of upset as he needed to borrow from family and friends.

Mr M contacted NatWest to raise a complaint but he says that there were delays in getting a response. He said that he got no response to his contact through email and the online chat and was kept on hold on calls and cut off without call backs.

NatWest said that having looked at Mr M's account statement it appeared that he had received the funds he had applied for. It said that no bank error had occurred, and it couldn't see anything to suggest it had blocked funds being credited to Mr M's account from the loan provider.

Our investigator didn't uphold this complaint. He said that the service aspect wasn't something he could consider and that the evidence he had seen didn't suggest an issue with NatWest accepting credits and debits from the lender Mr M had applied to.

Mr M didn't agree with our investigator's view. He said that he had provided evidence from the loan provider that loans were declined due to an issue with NatWest. He also felt that the service issues he had raised should be considered.

Since our investigator issued their view, NatWest has separately responded to the service issues Mr M has raised.

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 can see this issue has caused Mr M stress and he has spent a lot of time dealing with his complaint. I appreciate that a key part of the complaint is about the service he has received. NatWest has sent a final response letter to Mr M responding to the service issues raised and if he isn't happy with this response then he is able to refer this to this service. As the service issues have been dealt with separately and this investigation has been into the underlying issue of a loan being declined it is this complaint that my decision relates to.

Mr M has provided a copy of an email dated 21 August 2023, from the loan provider which states that NatWest had decided without consulting the loan provider to decline loans from it. It said that it was trying to get it to change its policy. In contrast, NatWest said that there was

nothing to suggest it had blocked payments being credited from the loan provider or that it had a policy about this. Where the evidence is incomplete, inconclusive or contradictory (as it is in this case) I make my decision based on the balance of probabilities - that is, what I consider most likely to have happened given the evidence provided and the wider circumstances of the complaint.

Mr M has explained that he applied for the loan on Friday and again on the Saturday and it was then he was told about the issue with NatWest. But by Tuesday the issue had been resolved. Having looked at Mr M's account statements, I can see he received £200 from the loan provider on 21 August 2023, which was the Monday. He had previously made a payment to the loan provider on 15 August 2023. Given the dates of these transactions and the comments made by NatWest, on balance, I find it reasonable to accept NatWest's comment that there was nothing to suggest a policy was in place to block payments to and from the loan provider.

I have considered Mr M's comments that he made his initial application on Friday and that he accepted this was resolved by the following Tuesday. As money was received into his account on the Monday this supports there being no issue at that time. I have assessed whether the evidence supports there being an issue caused by NatWest on the Friday or Saturday. While I note Mr M's comments about this, the email from the loan provider is dated 21 August which is the same day that funds were received into Mr M's account, and I have nothing further to suggest that there was an issue in the days prior to this with NatWest accepting funds from the loan provider.

Therefore, while I know my decision will be disappointing for Mr M, taking everything into account, on balance, I do not find that I have enough to uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 May 2024.

Jane Archer
Ombudsman