

## **The complaint**

Mr P complains National Westminster Bank Plc recorded the incorrect default date on his credit file, and that they took too long to rectify their mistake. He says this mistake impacted his ability to get a more competitive mortgage rate.

## **What happened**

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the 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.

Having considered everything, I've reached the same conclusions as our Investigator, for these reasons:

- NatWest has acknowledged they recorded the incorrect default date on Mr P's credit file. However, they weren't persuaded they were the sole reason Mr P couldn't benefit from a lower mortgage rate, and as such, didn't agree to reimburse the difference in mortgage payments Mr P is required to pay. However, they did pay Mr P £100 in recognition of the mistake they made with the default date, and the delays in getting back to Mr P about this issue after he raised it with them.
- Mr P has sent us a screenshot of an overview of his mortgage provider's lending criteria. This sets out that an application is likely to be declined if an applicant has had a default or IVA within the last three years. So, given the default date NatWest incorrectly recorded on Mr P's credit file, and the date of his mortgage application, it is possible that NatWest's mistake may have contributed to the time it took for Mr P to successfully apply for a mortgage. As such, it is only fair they take steps to put things right.
- When considering how to resolve a complaint, I have to take all circumstances into consideration. So, in this case I've had to consider the actions (or failure to act) of NatWest, Mr P, and any other party who may have been involved in this situation with Mr P's credit file and mortgage application. Having done so, I can't fairly conclude that NatWest bears all the responsibility for the situation Mr P has found himself in.
- Firstly, I had to place weight on the fact Mr P utilised a mortgage broker when applying for mortgages. Given Mr P himself has been able to provide some information about his mortgage provider's lending criteria, I consider it's more likely than not that his broker ought to have been aware of the same. Because of this, Mr P's IVA and default dates on his credit file are likely to have been a consideration when determining which providers were suitable for his circumstances – and when Mr P could apply for a mortgage (and this is something Mr P's own testimony has

alluded to). All parties agree the wrong default date was being reported against Mr P's NatWest account at the time of his application. As such, I cannot ignore who was involved in the application process when deciding this complaint.

- Mr P contacted NatWest shortly after his mortgage application was declined and says he was told they would be back in touch within 5 days. It's not disputed this didn't happen. But given Mr P has complained about how long it took for NatWest to rectify their mistake, and what he's told us about the decisions he made to ensure the process of buying a property could happen as quickly as possible, I would have also expected him to have been equally as proactive in chasing a response when one wasn't received within the timeframe he expected.
- I have taken on board what he's told us about his working hours and how stressful he's found this situation. Given what he's told us, I can understand why this would have been a very challenging time for him. But we do expect consumers to take steps to mitigate their losses. And in this case, everything happened against the backdrop of our changing economic climate, and it was becoming apparent that borrowing was becoming more expensive.
- Taking everything into consideration, I agree that NatWest's mistake caused Mr P distress and inconvenience. However, I can't agree they are solely at fault for Mr P being unable to get the rate he expected when making his initial mortgage application in November 2022.
- I don't think NatWest's initial award of £100 goes far enough to recognise the impact on Mr P. Buying a home can often be stressful, so NatWest's mistakes added to this already worrying time for Mr P. NatWest has offered to pay Mr P an additional £150 to resolve this complaint and I consider this is in line with what I would have suggested. I say this because while Mr P bought his home with his wife, who also would have found things difficult, I can only consider the impact on Mr P himself as he is NatWest's customer. I'm not minded to ask NatWest to increase their award beyond the additional £150 because I'm not persuaded they are the only party to have contributed to the challenges Mr P faced when trying to apply for a mortgage.

For the reasons above, I'm upholding Mr P's complaint, albeit not quite in the way he hoped.

### **My final decision**

My final decision is that I'm upholding Mr P's complaint about National Westminster Bank Plc.

To put things right, National Westminster Bank Plc should pay Mr P an additional £150 in recognition of the distress and inconvenience caused by their mistake.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 April 2024.

Sarrah Turay  
**Ombudsman**