

The complaint

Mr M complains that National Westminster Bank Plc did not approve a personal loan for him.

What happened

Mr M says that NatWest refused to approve a modest personal loan for him on affordability grounds, despite him being a customer of theirs for a number of decades, which caused him a lot of problems as he wanted to rent out his property and he needed funds to repair the property. Mr M made a complaint to NatWest.

NatWest did not uphold Mr M's complaint. They said they could not see any full applications on file, and their understanding was that Mr M's request for a personal loan was declined at the application stage, via an automated assessment, in line with their process. NatWest said they had an exceptions team that could take Mr M's application manually over the phone, and they gave Mr M their telephone number and opening hours. They said whether he would be accepted would be based on their usual checks and assessments. NatWest apologised for any poor customer service they provided. Mr M brought his complaint to our service.

Our investigator did not uphold Mr M's complaint. He said ultimately it was a business decision whether an application is approved. He said NatWest advised Mr M of how he could apply via their exceptions team, where the application could be completed manually, over the telephone, but no applications were submitted by Mr M, possibly as he had secured the lending via another method.

Mr M asked for an ombudsman to review his complaint. He made a number of points. In summary, he said NatWest should have informed him (a longstanding and vulnerable customer) about the existence of their exceptions team, as they may have been able to help him, but he felt he had been fobbed off by branch staff twice. He said he had no opportunity to explain the circumstances of his modest request.

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.

Mr M has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I'd like to explain to Mr M that it is not within this service's remit to tell a business how they should run their policies and procedures, such as their pre-application checks, and whether they should automatically tell someone about their exceptions team in branch. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct NatWest to make changes to their policies and procedures, if necessary.

I have noted the strength of feeling that Mr M has about him being disappointed he was not able to speak to NatWest about his loan application, especially what he's told us about his

health and vulnerability. I've not seen that NatWest were aware of his personal health/vulnerability at the time of him trying to apply for a loan, so I can't say they should have been aware of this.

NatWest have not been able to locate any full loan applications from Mr M around the time he said he applied. I've reviewed his application history, and whilst this shows other accounts being opened or overdrafts being applied for, they don't show any loan applications apart from a home improvement loan application Mr M made in 2007. So it appears Mr M didn't make a full application, and therefore the exceptions team details weren't automatically given to him.

I've considered what Mr M has said about being fobbed off by the branch. But I'd be unable to review the conversations he had with the branch staff, since these wouldn't be recorded. It could be that the branch staff weren't aware of the exceptions team as this team isn't branch based. But I was pleased to see that NatWest did tell Mr M about this team in response to his complaint.

That's not to say if Mr M was aware of this team earlier that they would have lent to him if he contacted them, as NatWest told him that their normal checks would still apply, but it would give him the opportunity to tell NatWest about his personal circumstances in more detail than he was able to give them as part of the pre-application process.

NatWest apologised to Mr M in their final response regarding any poor customer service he had from them. I'm persuaded that an apology is proportionate for what he said happened in branch, as it doesn't appear that they could have overturned the decision in branch. My understanding is that Mr M did manage to secure lending from another lender, so he didn't ring the exceptions team. But as NatWest were entitled to decline Mr M's attempt for a loan, and ultimately this would be a decision for them to make, it follows I don't require NatWest to do anything further.

My final decision

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 25 July 2024.

Gregory Sloanes
Ombudsman