

## **The complaint**

Mr K complained that National Westminster Bank PLC (NatWest) incorrectly pursued him for debt which had been settled some years ago causing him distress and inconvenience. Mr K was also unhappy with NatWest's delay responding to his complaint including a Subject Access Request (SAR).

## **What happened**

I set out the background and my provisional findings to the complaint in my provisional decision, and copied here.

*In 2007, Mr K entered into an Individual Voluntary Arrangement (IVA) which was completed in 2008 and as part of that, NatWest should have settled debts owed to them from Mr K. Due to a procedural error on the part of NatWest, the debt remained outstanding, and following an internal report, they wrote to him in error in 2023 advising they had passed the debt to a debt collection agency (DCA) for them to arrange repayment.*

*Mr K raised a complaint with NatWest and also a SAR. NatWest took longer than they anticipated to provide a full response to Mr K but apologised for the extended timescale. They issued a full apology in their letter saying they would correct their errors and ensure there would be no impact on his credit file, the action would be recalled from the DCA, and they would chase up internally the SAR. They also offered Mr K compensation of £250.*

*Remaining unhappy, Mr K brought the matter to our service where an investigator did not uphold the complaint as she thought that the compensation figure was a fair offer for what had happened to Mr K. Mr K remained unhappy and requested an ombudsman review his complaint.*

## **What I've provisionally decided – and why**

*I have looked carefully at all the information NatWest have provided to see if it has acted within its terms and conditions, followed due process, and to see if it treated Mr K fairly and clearly, they have made mistakes.*

*I've also looked at any further information that Mr K or NatWest have provided after Mr K asked for this to be reviewed by an ombudsman, and I can see detail which has influenced my decision since the investigator's view, more of which I'll go through below.*

*What's not in question is whether errors were made. Specifically, leaving the debt outstanding in 2008, letting Mr K know that it had passed the debt to a DCA and the erroneous pursuance of it in 2023, and taking longer to respond to the complaint and the SAR. I am pleased that NatWest apologised in full for these, offered compensation and it has prompted them to look at their processes in an attempt to avoid any recurrence.*

*I'm also pleased that there's been no impact on Mr K's credit file and that he's not suffered financially as a result of NatWest's errors.*

*One aspect which I want to address is a point that was brought up by Mr K in response to our investigator's view. This relates to wording in the letter from NatWest in early July 2023 informing Mr K that his debt had been passed to a DCA. The letter begins "we wrote recently..." which would indicate that a piece of previous correspondence had been sent. However, I have seen no evidence presented by NatWest of this. When I sent an attachment of the July letter to NatWest asking them about the previous correspondence in question, it said "There are no letters to provide you with. The letter that was sent which you attached are standard worded letters".*

*In view of this, I don't believe there was a piece of previous correspondence, and I don't think it's advisable for NatWest to use this wording as it has the capacity to cause confusion, as it did here. The text of NatWest's letter was that the previous correspondence was to let Mr K know that the outstanding balance was due for repayment. And so its understandable he would be very concerned about not responding to such important information.*

*Another aspect I wanted to address was the amount of time Mr K had to wait for NatWest to clarify and confirm their errors and put his mind at rest. Mr K received the letter in early July 2023 but was not sent a final response by NatWest until late in September despite the severity of the matter and the clearly acknowledged effects it had on him. It's disappointing that NatWest didn't recognise the nature of the complaint and the obvious impact in terms of worry and distress, and attempt to expedite the case therefore giving Mr K peace of mind sooner.*

*I also wanted to address Mr K's opinion that NatWest had "profited financially from selling my alleged debit to the DCA, and have fraudulently tried to obtain money from me" but I've found no evidence to support this. As established, it was NatWest's errors that led to the passing of the debt to a DCA.*

*I'll now move on to putting things right and compensation payments to represent distress, inconvenience and as Mr K has put it, anguish. Usually, we'll tell the business to put the customer back in the position they'd be in if they hadn't got things wrong. And I'm satisfied they've done that, which leaves the compensation payment that's been offered by NatWest.*

*Mr K in one email classed NatWest's offer as derisory suggesting that their offer should be at least the amount of the debt they were chasing, which is over £4,000, but the amount of the debt isn't one of the considerations I use. Mr K has also said that he wants punitive compensation as a deterrent to NatWest. It is not our role to punish businesses, that would be proper to the Financial Conduct Authority, and punitive damages would be something a Court might consider.*

*As an informal dispute resolution service, we consider awards according to what we consider to be a fair and reasonable reflection of the impact the distress and inconvenience has had upon the consumer. And so what I wanted to understand was the impact on Mr K of NatWest's errors, whether their offer is considered as fair, and also look at it through the lens of this service's compensation guidelines and similar cases.*

*I do believe that the initially offered £250 was fair, in light of the letter issue which I've gone into above, and the time that Mr K had to wait to know he wouldn't be pursued for the debt. However, overall, I consider a compensation figure of £500 to be a reasonable payment for Mr K's worry, distress and inconvenience. This has increased from the effect of the prolonged uncertainty, shock and delay that he has suffered during this period and includes the worry he felt in not responding to NatWest's previous letter that appears not to have been sent.*

*I understand NatWest sent their initial offer as a cheque which Mr K has said remains uncashed.*

### **My provisional decision and the parties' responses**

I provisionally decided to uphold the complaint and I intended to increase the total compensation amount to £500 to be paid to Mr K.

NatWest responded to say they had nothing further to add. Mr K did not respond to the provisional 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.

In view of NatWest's response being that they have nothing further to add, and no response being received from Mr K despite this service's efforts to make contact, my view remains the same as I have detailed above.

### **My final decision**

For the reasons I have given here and in my provisional decision, this complaint is upheld. I require National Westminster Bank PLC to pay Mr K a total of £500 compensation, less any money already paid to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 June 2024.

Chris Blamires  
**Ombudsman**