

The complaint

Mr F complains National Westminster Bank Plc (“NatWest”) won’t refund him for transactions he didn’t authorise and is unfairly holding him liable. He also complains NatWest should remove any adverse information its applied to his credit file, and that a member of its staff was biased and sexist towards him.

What happened

The facts of this complaint are well known to both parties, so I will not set them out in detail here.

In July 2016, Mr F was incarcerated following a formal process and was released in April 2018. Mr F was later paid a final salary and a one-off settlement figure by his employer. Collectively, this amounted to around £11,356. On the day of his incarceration, Mr F’s account was in an arranged overdraft balance of £2,049.03.

Mr F says he didn’t expect to be incarcerated in this way based on the legal advice he was given, so he failed to make sufficient contingency plans. He says he asked his wife at the time he was sentenced to cancel all his direct debits on his NatWest current account.

To keep matters simple, I’ll now refer to Mr F’s wife at the time as “Mrs F”.

Mrs F wasn’t a joint account holder. Mr F says he told Mrs F she would need to find alternative accommodation for herself and their daughter, as where they were currently living was his employee provision. Given what had happened Mr F could no longer benefit from this accommodation arrangement as his employment contract was terminated. This also meant he would not get paid wages from which the rent was taken out from.

Mr F says he never gave any of his security credentials for his account to Mrs F. But he kept details of his online login and other banking details in his bed side cabinet. When Mr F was released from his incarceration, he learnt his account had been used to make payments he didn’t authorise, and that Mrs F had not cancelled any of his direct debits. He also learnt his accounts had been closed due to them falling into debt and that it had been passed to a collections agency. Mr F had expected to be sufficiently in credit given the payments detailed above.

Mr F believes that Mrs F used his account without his consent and wants the funds she spent in this way refunded. Mr F has also explained that after being sentenced in the way he was, he was unable to do much about his finances mainly because he was suffering from

depression. Mr F has also explained that his relationship and marriage with Mrs F had been falling apart some time before July 2016.

Mr F says he was unable to make any real progress with NatWest for a prolonged period about getting his disputed transaction claim looked into. After his release, Mr F had several complaints investigated by NatWest, which in large related to customer service issues. Many of these were upheld and he was paid compensation. Mr F says his complaint was never

properly understood by NatWest.

Mr F's claim was later looked into and not upheld. In April 2022 NatWest sent Mr F a final response to his complaint about this. In summary, NatWest said:

- NatWest declined Mr F's fraud claims for all transfers, point-of-sale, and ATM transactions. And the matter is a civil dispute between Mr F and his ex-wife, Mrs F
- But following a further review, though the decision to decline the disputed transaction claim was correct, NatWest has decided to refund £8,670.42 as a gesture of goodwill. This payment excludes standing orders, direct debits, interest, and charges and other transactions NatWest felt fell outside what was reasonable
- Mr F may wish to settle his outstanding balance with the collections agency
- NatWest looked into the conversation Mr F complained about with one of its staff members. It apologised that its staff member made Mr F feel she was biased and mentioned a 'duty of care' to his ex-wife. Feedback has been passed to the individual's manager
- £8,670.42 will be sent to Mr F's nominated account, details of which he's provided

In a separate response also in April 2021, NatWest said Mr F would need to complete a form to have his credit file rectified and paid him £40 compensation as an apology in its delay in handling his complaint.

In July 2022, NatWest sent a further response. In short, it made the following key points:

- Mr F's account has an overdraft balance of £3,232.76 with no agreed limit. It previously had a limit of £2,850. The account was actively being used until October 2017
- Had Mr F notified NatWest about his incarceration, it could have followed its normal process for such an event
- NatWest was able to get evidence to show Mr F was incarcerated during the time he says he was

Unhappy with NatWest's responses and determination, Mr F referred his complaint to this service. Our Investigator then started looking into Mr F's complaint. As part of their investigation, NatWest informed them that:

- Credit file amendments were made for Mr F's separate credit card complaint. But as NatWest deemed Mrs F's complaint about his bank accounts a civil dispute, and as it didn't uphold the fraud claim, it will not rectify his credit file. As NatWest hasn't done anything wrong, it doesn't need to take such action
- NatWest explained how it derived the figure of £8,670.42. Which included accounting for payments into his account, payments he was making like standing orders, and the overdraft balance before he was incarcerated

Our Investigator then sent both parties their recommendation in which they part upheld the complaint. In summary, their key findings were:

- They can't see the transactions in dispute were authenticated in the correct form as

much of the information isn't available given the passage of time

- As NatWest made the decision to refund all the payments, there's no disagreement about them
- Mr F wants NatWest to refund him the £10,491 which was a final settlement payment from his previous employer. But having considered the breakdown from NatWest for its goodwill payment, it has refunded the correct amount. So NatWest doesn't need to refund more than it already has
- NatWest should remove the default marker from Mr F's credit file. Had the disputed transactions not taken place, Mr F's account wouldn't have been in default
- They listened to the call Mr F has complained about with NatWest's staff member and agreed they could've shown more empathy and dealt with the call better. But they didn't agree the refund of funds was made to Mr F because of this interaction, and the poor service he'd received

NatWest asked for clarification of the dates the default marker should be removed, and said they agree with what our Investigator said. Mr F didn't agree. In summary, the key points he made were:

- NatWest caused him substantive distress and inconvenience with all the unnecessary 'back and forth' communications he had to make. NatWest's handling of this complaint has been unprofessional
- NatWest's staff member was sexist, biased, and judgemental. They were unprofessional and need retraining. Mr F questions why NatWest didn't provide the call as evidence until he was able to give specific details about it
- The goodwill gesture refund was designed to prematurely shut down the matter because NatWest was likely hiding something
- NatWest should pay Mr F his full settlement from his previous employer and remove adverse credit markers from his file

Our Investigator then sent Mr F a further response, in which they made further findings. In summary, they were:

- Considering the way Mr F's account was used from July 2016, it's more likely he consented to Mrs F using it in this way. This means Mr F gave Mrs F apparent authority. This allowed her to initiate payments by acting on Mr F's behalf. The activities on Mr F's account also don't fit a regular fraud pattern
- They considered that Mrs F was continuously managing Mr F's accounts and making payments. But Mr F had also told NatWest that he'd asked Mrs F to cancel some direct debits. So it seems Mrs F was given some form of access to the accounts, and Mr F needs to clarify this point
- If Mr F gave access to Mrs F to use his online banking, and she went on to make other transactions to those he'd asked her to, they would be deemed as authorised under apparent authority
- NatWest has refunded a fair and reasonable amount to Mr F. And it's possibly more than what they would have recommended had no refund been made. That's because

NatWest isn't required to refund disputed transactions Mr F authorised

- Mr F had an overdraft balance in July 2016 of £2,049.03 and had two regular standing orders for £100 before he was incarcerated. As these were also refunded despite there being existing debt and payments instructions, there is no basis for NatWest to pay further compensation
- The call handler wasn't sexist or biased on both occasions

Mr F didn't agree. He emphasised that he didn't give consent or any authority to Mrs F, or anybody else, to make any payments from his accounts or access his online banking. He says he told Mrs F to contact the companies he was making direct debits too, and never said anything about her doing so by contacting NatWest. Mr F adds that its nearly six years since the adverse default marker was added, so it will fall off soon meaning he has had to endure the suffering it's caused.

As there was no agreement, this complaint was passed to me to decide. I then sent both parties my provisional decision in which I set-out what I was planning on deciding. For ease of reference, here is what I said:

Provisional decision

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm planning on upholding this complaint. I'll explain why.

This is quite a complex and finely balanced complaint. Where evidence is incomplete or inconclusive, I can reach my decision on what I think is most likely to have happened – the balance of probabilities.

As I've alluded to before, I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr F and NatWest have said before reaching my decision. It's important to note, my decision focuses on NatWest's actions in regard to both Mr F's current and savings accounts.

Authorisation

In short, NatWest is required to refund the amount of an unauthorised transaction. The relevant regulations, to this effect, are the Payment Services Regulations (the PSR's).

NatWest doesn't have all the technical records to show how these payments were authenticated given the passage of time. There's no dispute between the parties the payments in dispute weren't authenticated using the proper form. That would likely mean the use of a debit card and PIN for the ATM transactions, and the correct application of security credentials for online banking.

So because of this and given I haven't seen any evidence or suggestion of technical issues,

I'm satisfied its most likely all the transactions were authenticated in line with the proper form.

I now need to think about whether the evidence suggests Mr F consented to the transactions being made after he was incarcerated in July 2016.

NatWest effectively say this is a civil dispute between Mr F and Mrs F. Our Investigator thinks its most likely that Mr F gave Mrs F authority to use his accounts, and its credentials including the debit card and online banking.

I'd like to assure both parties that I've listened to all the calls I've been given that took place between Mr F and NatWest's staff, and that I've carefully considered all the information I've been provided. Having done so, I'm persuaded that its most likely Mr F didn't authorise the transactions he disputes.

I say this because:

- I'm satisfied Mr F has shown he couldn't have made these transactions himself as he was incarcerated in the way he says he was between July 2016 and April 2018*
- His explanation that he left his online login credentials in his bedside drawer along with other important documents like his passport is plausible. It's not uncommon for people to store such details in this way in their home. So I don't think he's done anything wrong by doing so.*

Mr F's also provided an email from NatWest that he was able to recover after being released in 2018 that shows his online banking password was changed within a few days after his incarceration. If Mrs F was given these details by Mr F consensually, why would she, or anybody else for that matter, need to change it. It's more likely than not this was done to block somebody else being able to access the account

- Mr F's testimony on the calls to NatWest shows in detail why he didn't think he would be incarcerated and therefore didn't make better plans in mitigation. He's been consistent throughout in this respect from when he first raised the issue after being released. He's been equally consistent that as his incarceration surprised him, he asked Mrs F to cancel regular payments like direct debits and find alternative accommodation as he could no longer pay for the one provided by his now ex-employer*
- I've considered its likely Mr F may have made some arrangement with Mrs F given he was the co-parent to their daughter who was a dependant at that time. And that any such arrangement, and Mr F's sentiment towards it may likely have soured as Mrs F initiated divorce proceedings whilst he was incarcerated.*

But Mr F has explained that their relationship had started falling apart a few years before July 2016, and I haven't seen compelling nor persuasive evidence that Mr F gave Mrs F authority to use his accounts in this way

- The account activity, which I've been through in detail, shows payments were made into Mr F's savings account and into Mrs F's personal account. Later payments are made from both Mr F's savings account, and Mrs F's account, into his main current account. The timing of these typically coincide with private rental payments from Mr F's current account which didn't exist before he went into custody.*

Similarly, payments to a NatWest credit card are later made and the same pattern of

credits from either Mrs F or Mr F's savings account precede this. Given Mr F was incarcerated, I think this shows that Mrs F was most likely using his account to meet payments, albeit essential living costs, that he hadn't authorised

- So it follows, for the reasons above, that on balance I think it's most likely Mr F didn't give Mrs F, or anybody else authority, to initiate transactions on his accounts from 16 July 2016 until it was closed*

This means NatWest should refund Mr F all the transactions he didn't authorise. This brings me onto what I think is the most complex part of this complaint.

Fair redress and credit file

Mr F has clarified that he asked Mrs F to cancel any direct debits with the beneficiary companies. There's been some ambiguity about this given Mr F wasn't clear about whether he had asked her to do so through any access to his NatWest accounts or otherwise.

Given I don't think Mr F gave Mrs F authorisation, I think it's equally likely he wanted her to call the companies he was making these payments to. But it doesn't appear that happened or it's possible without any third-party authority these companies didn't act on any such instruction.

So I think, as Mrs F didn't have any authority, it was incumbent upon Mr F to reach out to these organisations and to inform NatWest of his incarceration. Mr F says he didn't do this partly due to falling into depression and partly because of how difficult this was to do in his situation.

I don't disagree this would have been the case, but it did ultimately fall to Mr F to initiate steps to help manage his financial situation given his acute change of circumstances. As he didn't, I'm satisfied any regular payments like direct debits that were in place before the date he was sentenced into custody on 16 July 2016, are his responsibility. So he should be held liable for these. That means NatWest needs to refund Mr F an amount which deducts payments he is liable for.

Having looked at the statements in detail, I note £10,000 of Mr F's substantive payment from his employer of a little over that amount was transferred to his NatWest savings account. And from there funds were either moved to Mrs F's account or back into the current account to maintain and likely manage that account.

Mr F's ongoing regular payments which he should be held liable for amount to £2,377.75. To be clear, this amount doesn't include standing orders made to Mr F's savings account on a regular monthly basis as that was, as I've already said, recycled back into the current account.

That means £11,635.63 is what was actually credited into Mr F's account having deducted and accounted for payments from Mrs F and Mr F's savings account. I've included a refund on Mr F's account for £200 denoted as 'S/C refund' in this figure. The 'ROSO' transaction relates to the right of set-off in the terms and conditions of the account. This amount has been transferred by NatWest when closing the accounts from his savings account – so I don't need to consider it against what I think fair redress should be.

That means £11,635.63 less £2,377.75 is £9,257.88. NatWest paid Mr F £8,670.42. So this is a little less than what my calculations say it should pay Mr F back as a fair refund in relation to the payment it has made. But in order to work out an exact amount, NatWest will have to rework the account so that the correct interest is charged on the correct balance

each month for Mr F's arranged overdraft.

This would also mean the unarranged interest and charges he's incurred will need to be refunded too as Mr F's current account would not have incurred any such interest or charges after the payment from his previous employer for £10,491 was made on 25 August 2016. This would have placed the account into a credit balance.

This means that only overdraft charges and interest should be accounted for up until August 2016. So it appears that NatWest will have to pay Mr F a little more than what I've said above.

Having said that, Mr F's account was in an overdraft position of -£2,049.03 up until the last payment he says he authorised. I haven't seen any reason why Mr F should not be liable for a debt he took out with NatWest in good faith before he was incarcerated. So if I was to account for this, it would appear NatWest has put Mr F in a better position financially than it ought to have.

Mr F wants his credit file amended so that any adverse markers from his accounts are removed. Given I don't think Mr F authorised the payments he disputes, and as the position of his account would otherwise have been in credit, NatWest should remove these markers.

I note that the debt was passed onto a collection agency by NatWest after the accounts were closed. NatWest should now unwind this debt removing any additional fees and charges and interest that may have been added to the balance. To be clear, Mr F should only be held liable for the original debt of £2,049.03 up until any interest and charges are applied to when the account would have been in a credit balance – August 2016.

Once NatWest has re-worked what fair redress is as explained above, it should offer Mr F the opportunity to offset any positive balance against this debt before following its usual collection process with Mr F for repayment of any residual overdraft debt he's still liable for.

Customer service

Having carefully reviewed all the information and arguments on this complaint, I'm satisfied that NatWest has fallen short of what I'd expect it to do in relation to customer service. I note that NatWest has apologised on a handful of occasions and that it's paid Mr F some compensation along the way until the main issue of his complaint was looked into.

Given the impact that these actions have had on Mr F, namely that they would have significantly exacerbated what was already a difficult time, I'm minded to direct NatWest to pay him a further £300 in compensation for the distress and inconvenience caused.

Calls with claims handler

Mr F has identified two calls in particular in which he says NatWest's fraud claims handler was sexist, biased, and judgemental towards him. NatWest has apologised for how its staff member made Mr F feel and said feedback has been passed to their manager about this.

I've listened to these calls very carefully, and I'm persuaded the agent's demeanour would have made Mr F feel this way. I can understand why Mr F felt his approach to parental responsibility, and his role as a father, was being inappropriately questioned.

When assessing a disputed transaction claim, a bank needs to follow the approach as set out in the PSR's. That is garnering information to help it answer whether the customer authorised the payments. So I think some of the questions Mr F was posed were

unnecessary.

It's clear from what Mr F has said that this interaction caused him substantive distress and anger. And I don't think this is an unreasonable reaction having listened to the calls. Because of this, I'm satisfied NatWest should pay Mr F a further £300 in compensation.

Having said that, I must add that I haven't seen anything which shows NatWest made the gesture of goodwill refund because of how this conversation was conducted by its staff member.

Lastly, I note Mr F is frustrated that by the time any adverse credit marker is removed it would have fallen off given such things do after six years. This is unfortunate. But I haven't seen any compelling evidence that Mr F has missed out on any benefit - and credit isn't always guaranteed. Nor do I think such loss, if compelling evidence of it is provided, would have been reasonably foreseeable.

Putting things right

To put things right, NatWest must:

- *Rework Mr F's refund as directed above. NatWest should also offer him the opportunity to offset any balance owed to him against the overdraft balance he owed it on 16 July 2016*
- *Rework the current account from the collection agency resetting it to the balance as of 16 July 2016 of £2,049.03. NatWest should follow its normal collection process treating the account as it would have in July 2016*
- *NatWest should explain to Mr F that if he enters into an arrangement with it to make payments towards any outstanding overdraft debt, how this could affect his credit file going ahead*
- *Remove any adverse credit markers NatWest has added against Mr F's current account*
- *Pay Mr F £600 compensation for the distress and inconvenience it's caused*
- *Pay Mr F any interest he would otherwise have earned on the balance of his savings account. Mr F was making regular monthly transfers of £50 into this account, so any interest should be calculated based on this accumulating balance**

**If NatWest considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate"*

NatWest agreed to what I said in my provisional decision. Mr F said he wanted to make a few points for further consideration, and for clarity. In summary, Mr F has said:

- He never gave Mrs F authority or permission to spend any of his money. Nor did he provide Mrs F with any account credentials or banking details
- As mentioned in the provisional decision, Mrs F had started divorce proceedings soon after his incarceration, she had moved into rented accommodation and had been working before this. So Mr F questions why he would be financially responsible for her

- Mr F didn't fail to make sufficient plans, but was unable to do so due to his incarceration
- Mr F told Mrs F to cancel direct debits by calling the providers – which didn't involve using his bank account to make transactions
- NatWest's goodwill gesture payment of £8,670.42 was not a refund as it was paid to Mr F after the call handler treated him in a biased and sexist way
- NatWest advised Mr F to close his complaint and as a goodwill gesture it would make the payment of £8,670.42. NatWest didn't explain to Mr F how it calculated this amount which was described as an unrelated goodwill gesture. Because of this Mr F believes NatWest made the payment to keep him quiet. And therefore not follow up on the sexist and biased remarks its agent made to him, and to rectify the poor handling of previously made complaints
- The call handler provided very poor service and was unprofessional – it caused Mr F a lot of distress and adversely impacted his mental health. Mr F doesn't feel NatWest providing her with feedback and receiving £600 compensation is fair redress
- Up until Mrs F illegitimately used his account, Mr F always had good credit history. He appreciates that credit isn't always guaranteed, but there were at least two occasions where Mr F was unable to get credit, once to buy a sofa and the other for car rental. As NatWest had loaded adverse information against him, this prevented Mr F from applying for credit out of fear of being declined
- The compensation awarded isn't enough given the amount of energy and time Mr F has put into this matter since 2018, and the distress it's caused him. So Mr F wants to be properly compensated
- Mr F hasn't felt listened to or understood by NatWest when dealing with his complaint. He's received contradictory information and his issues have not been properly resolved
- Mr F wants clarity on how £2,377.75 has been calculated by me. It appears to him that all his direct debits would have been paid for the full time he was incarcerated which is not the case. When Mrs F moved out of his employer's accommodation, the accounts would have been closed or cancelled. His ex-employer then took over the property and would have moved any bills to the new tenant
- As the adverse credit will shortly automatically fall off his report, its unfortunate Mr F has had to wait this long. He's disappointed with NatWest's poor customer service and it has failed with treating him fairly

As the deadline for further responses has passed, and as both Mr F and NatWest have replied, I will now decide this complaint.

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 done so, and for the reasons in my provisional decision – as above – I uphold this complaint. I will now address the further points Mr F has raised:

- Mr F says he never gave Mrs F authority or permission to spend any of his money. Nor did he provide Mrs F with any account credentials or banking details. I have already said in my provisional decision that I think its most likely Mr F didn't authorise the transactions he disputes, nor did he intentionally give her any of his bank account credentials. So to be clear, I have on balance agreed with Mr F on this point
- Mr F has asked why he would have been financially responsible for Mrs F given the circumstances he outlined. But that isn't the basis of what I critically need to consider for this complaint. The key question is whether Mr F gave Mrs F authority to use his account, and I've already said I don't think he did. Having said that I did consider the wider circumstances, evidence, and testimonies when reaching my findings
- In the background section of this decision I summarised the key points made by Mr F and NatWest. It was based on what Mr F had said about cancelling his direct debits due partly to falling into depression and partly because of how difficult this was because of his incarceration. So I agree that he couldn't make sufficient financial plans
- Mr F says he asked Mrs F to cancel the direct debits by calling the individual providers – which didn't involve using his bank account to make transactions. As I said in my provisional decision, Mr F has been consistent about this, so I find it plausible. Mr F should note again that I have upheld his complaint and therefore have made a finding that I think its most likely he didn't authorise Mrs F to act on his behalf
- Mr F says NatWest's payment of £8,670.42 wasn't a refund as it was paid to him after its call handler had been biased and sexist towards him. He also says NatWest didn't explain how it calculated this amount – which was described as an unrelated goodwill gesture.

In its submissions to this service, NatWest explained how it calculated this amount. And this showed that it had endeavoured to refund him all funds that NatWest felt Mr F was entitled had he not authorised the transactions he disputes. So even though this was paid to Mr F on a goodwill basis – in other words with no liability – NatWest had done so based on what it thought was a fair calculation of refunding the disputed amounts.

I didn't agree with how NatWest reached this calculation. I'd also add that when upholding a complaint, I must decide on what I think a business needs to do to put a consumer back in the position had things have happened as they should have. That means I must take into account any compensation and redress already paid. Because by not doing so it could mean Mr F is unfairly over compensated. I'm also satisfied that the payment NatWest made wasn't for an entirely different issue. So in this case, it wasn't because of how Mr F was treated by NatWest's call handler, how it had handled his complaints, and to keep him quiet

- I note what Mr F is saying about being declined credit for a sofa and car rental. I've already said that such loss isn't reasonably foreseeable. But I'd like to assure Mr F that I have included the distress and inconvenience this would have caused him when making the award for compensation I have. Ultimately, credit isn't guaranteed, and I can't award compensation for a loss that didn't materialise
- In my provisional decision, I said: *"Mr F's ongoing regular payments which he should be held liable for amount to £2,377.75. To be clear, this amount doesn't include*

standing orders made to Mr F's savings account on a regular monthly basis as that was, as I've already said, recycled back into the current account"

Mr F has asked how I calculated this amount. This is the total of all the regular payments Mr F was making before he was incarcerated and that which continued to be debited from his account until they were cancelled or stopped – presumably by the providers. So these are actual debited payments as opposed to anything hypothetical. That means if such regular payments were naturally stopped due to the provider taking action based on a new tenant moving into Mr F's previous property, my calculations and accounting of such would stop including them after this point

- I said I was planning on awarding £300 for the poor customer service and complaint handling Mr F was provided with by NatWest – and the distress and inconvenience this caused Mr F. I also explained what impact I considered when recommending this amount. Additionally, and with the same consideration given, I said NatWest should pay Mr F a further £300 for the distress and inconvenience its call handler caused him with the way they inappropriately spoke to him. In making this award I also considered the way Mr F says this call made him feel.

Mr F doesn't agree that this compensation is fair award. But I've done so in line with this service's approach – which is available on our website. And I haven't seen anything to make me think I need to amend this

- Mr F says NatWest has failed to treat him fairly. To be clear, I agree and that's why I have upheld his complaint and awarded compensation to put things right

So, after weighing everything up, and for the reasons above which include what I said in my provisional decision, I've decided to uphold this complaint. And I see no reason to change what I think NatWest needs to do to put things right.

Putting things right

To put things right, NatWest must:

- Rework Mr F's refund as directed in my provisional decision. NatWest should also offer him the opportunity to offset any balance owed to him against the overdraft balance he owed it on 16 July 2016
- Rework the current account from the collection agency resetting it to the balance as of 16 July 2016 of £2,049.03. NatWest should follow its normal collection process treating the account as it would have in July 2016
- NatWest should explain to Mr F that if he enters into an arrangement with it to make payments towards any outstanding overdraft debt, how this could affect his credit file going ahead
- Remove any adverse credit markers NatWest has added against Mr F's current account
- Pay Mr F £600 compensation for the distress and inconvenience it's caused
- Pay Mr F any interest he would otherwise have earned on the balance of his savings account. Mr F was making regular monthly transfers of £50 into this account, so any interest should be calculated based on this accumulating balance*

*If NatWest considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate

My final decision

For the reasons above, I have decided to uphold this complaint. National Westminster Bank Plc must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 May 2024.

Ketan Nagla
Ombudsman