

The complaint

Mr A is a sole trader. He complains about the service he's received from National Westminster Bank Plc.

What happened

Information about the overdraft

Mr A says he didn't receive overdraft renewal letters from NatWest, following a change in relationship manager. NatWest says the overdraft renewal letters were sent to Mr A at the address it held for him. But it accepts that on three separate occasions it didn't provide Mr A with advance notice of changes to the overdraft interest rate or renewal fee, as required by the committed overdraft terms: in September 2022 and March and September 2023.

To put this right, NatWest recalculated the interest due on Mr A's current account, adjusting it so that interest was charged at the rate which applied before the increase for an additional 14 days on each of the three occasions. It also refunded overdraft renewal fees, totalling £900, that it debited in March and September 2023 as a gesture of goodwill.

Repayment of Mr A's borrowing

Mr A had a committed overdraft facility of £60,000 on his business current account with NatWest. In the summer of 2023 NatWest carried out a review of Mr A's business. It wrote to him in September 2023, saying it had worked with him to review the performance of his business and it didn't consider that it would be able to return to profitability in the short term. It was, however, willing to continue Mr A's borrowing facilities to enable him to explore other options to repay the overdraft. It said Mr A's committed overdraft facility wouldn't be renewed beyond 1 March 2024, and that it would expect a reduction of at least £10,000 to the limit in November 2023.

In the same letter, NatWest said it encouraged Mr A to seek external finance to repay the overdraft, or to sell assets to reduce and repay it. If he wasn't able to do that, it asked him to provide specific repayment proposals for the overdraft, including amounts and timings. And it said that if Mr A didn't meet the commitments it had set out in the letter, it might (among other things) ask him to make alternative banking arrangements and call for repayment of all his borrowings with NatWest.

Mr A agreed to reduce the overdraft by £10,000, but subsequently decided not to go ahead with the reduction.

At the end of February 2024 NatWest wrote to Mr A commenting that the reduction of £10,000 hadn't happened and it hadn't received satisfactory proposals for repayment of the overdraft. It said it was committed to supporting Mr A's business, and asked him to contact it within 14 days to discuss options. It said that if it didn't hear from Mr A within that timeframe, it would ask him to refinance all his borrowings with another bank and call for repayment of all his borrowings with NatWest.

Having received no acceptable repayment proposals from Mr A, NatWest sent letters of formal demand for the repayment of all Mr A's borrowing in early April 2024.

The alleged conflict of interest

Mr A has had a dispute with another party, which banks with another part of the NatWest group of companies. He's concerned that NatWest may have shared information with the other party without his consent. He's also dissatisfied that NatWest told him it wouldn't share its conflict of interest policy with him.

One of our investigators considered the complaint, but thought that what NatWest had done to resolve Mr A's complaint was fair.

Mr A disagreed with the investigator's view, so the complaint's been passed to me.

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 A has provided detailed submissions to this service. In reaching my decision, I've taken into account everything he's said. But I hope he won't regard it as a discourtesy that I've focused on what I consider to be the key aspects of the complaint, in keeping with our role as an informal dispute resolution service. Our rules allow me to do this. I've noted that there are questions which Mr A would like answered to his satisfaction. But it's up to us to determine what evidence we need in order to investigate a complaint, and it's not my role to answer Mr A's questions or to put them to NatWest.

I'll set out my findings under the same headings that I used above.

Information about the overdraft

I'm satisfied, based on the computer records that NatWest has provided, that it sent Mr A overdraft renewal letters to the address it held for him in September 2022 and March and September 2023. In each case, the letter enclosed an overdraft facility renewal agreement setting out the terms of the overdraft, including the rates of interest. I don't consider that NatWest can fairly be held responsible if the letters didn't reach Mr A.

NatWest has accepted that it failed, on those three occasions, to give Mr A the advance notice that it should have done of increases to the overdraft interest rate. Our role isn't to fine or punish financial businesses. Instead, in considering a complaint, I consider how, if at all, a complainant is worse off as a result of something that the financial business has done wrong.

I'm satisfied that NatWest recalculated the interest due on Mr A's overdraft to ensure that Mr A hasn't lost out financially as a result of its failure to give him advance notice of increases to his overdraft interest rate in September 2022 and March and September 2023. What's more, it refunded £900 to Mr A in overdraft renewal fees that it was entitled to charge. Taking everything into account, I can't fairly require it to do more regarding this part of Mr A's complaint.

Repayment of Mr A's borrowing

NatWest repeatedly told Mr A that in order to consider any repayment proposal, it would need up-to-date financial and management information showing that his business was fully

able to service all its existing debt. I accept that Mr A offered to reduce his overdraft by £1,000 per month. But I haven't seen any evidence that he provided NatWest with the up-to-date evidence it asked for.

I don't accept that NatWest's failure to give Mr A advance notice of changes to his overdraft meant that it was reasonable of Mr A to refuse to send the financial information NatWest requested. Nor do I consider that it was unfair or unreasonable of NatWest to ask Mr A to reduce his overdraft. Mr A has suggested that NatWest demanded repayment as some form of "retaliation". But I'm satisfied that NatWest's repayment demand was fair, and followed extended attempts to work with Mr A to find a way forward to bring his overdraft down.

Since bringing his complaint to this service, Mr A has told us that he now has a new relationship manager at NatWest. But he says the service he received from his previous relationship manager caused him distress and anxiety even though he provided the information NatWest requested and wasn't in default. Mr A has told us he believes that NatWest deliberately failed to inform him about the operation of his account during the time it was managed by the previous manager.

But I've seen nothing to make me think that NatWest, or any individual employee, deliberately failed to give Mr A information about his account. And while I can understand what a stressful period it was for Mr A and his business, I'm satisfied, based on the evidence provided, that NatWest and its employees tried hard to find ways of continuing to support Mr A's business. NatWest was entitled to decide how much, if any, overdraft facility it was willing to offer Mr A and it was proactive in suggesting ways in which the overdraft might be reduced. I acknowledge that Mr A says he lost faith in NatWest, but I'm not persuaded that it treated him unfairly.

Mr A has referred to the Financial Conduct Authority's consumer duty. I've taken into account the duty in considering whether NatWest acted fairly when it asked Mr A to repay all his borrowing at once, but for the reasons I've set out, I'm satisfied that it did.

The alleged conflict of interest

I've considered what Mr A has said about the potential for a conflict of interest and information being shared without his consent. He's told us that he believes that even if there's only a risk that he could be unfairly affected, he should be provided with clear information about any potential conflicts of interest and how they are managed. But I can't require NatWest to disclose its internal policies and procedures to Mr A.

Our investigator explained to Mr A that if he wanted us to look into an alleged conflict of interest, he would need to provide evidence of it. I don't accept that NatWest has an inherent conflict of interest purely because the other party to the dispute with Mr A banks with another company in the same group. I haven't seen anything to suggest that NatWest has shared any information about Mr A or his affairs with the other party to the dispute. In the absence of any evidence that NatWest has breached Mr A's confidentiality, I don't find it's done anything wrong.

In its final response to Mr A's complaint, NatWest said it had paid Mr A £100 to apologise for not having explained that it wasn't willing to disclose its conflict of interest policy. I don't consider that I can fairly require it to do more.

Finally, Mr A says that the consumer duty requires banks to have robust complaints procedures. He's dissatisfied that NatWest didn't understand his complaint, and he believes it repeatedly tried to avoid the issue. But as the investigator has explained, our rules don't allow us to consider complaints about complaint handling, so I'm not able to consider this

part of Mr A's complaint.

I'm sorry to disappoint Mr A. I'm aware that he feels very strongly about the issues he's raised. But for the reasons set out, I can't fairly require NatWest to do more than it's already done to resolve his complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 November 2024.

Juliet Collins
Ombudsman