

The complaint

Mr P complains that National Westminster Bank Plc (“NatWest”) has failed to treat him fairly in relation to his credit card account.

What happened

Mr P has explained that he has faced issues with his credit card account, as a result of serious ill health that has prevented him from working, since 2008. During that time he has raised a number of complaints with NatWest, many of which have been considered by this Service. As our investigator has explained, it wouldn’t be right for those matters to be reconsidered as part of a new complaint. And our investigator has also explained to Mr P why we would need the consent of NatWest to look at things that have been ongoing for more than six years. NatWest has declined to provide that consent, so that also limits what I can deal with in this decision.

So I think it is important that I specifically set out here the matters that I will be considering in this decision. I appreciate that these do not cover everything that Mr P has complained about, and in fact do not consider what he thinks are the most important aspects of his complaint. But I am satisfied that these are the only matters that our rules will fairly allow me to consider here. So in this decision I will look at;

- The assistance provided to Mr P since November 2016 with the management of his financial difficulties.
- Any charges that NatWest has applied to Mr P’s account for the provision of copy statements.
- Whether NatWest has added interest to Mr P’s credit card account since November 2016.
- A payment plan review letter sent to Mr P in November 2022.

Mr P’s complaint has been assessed by one of our investigators. Overall she didn’t think that NatWest had done anything wrong in relation to the issues I’ve set out above. The investigator thought NatWest had treated Mr P’s financial difficulties sympathetically and she had seen no evidence that he had been charged for any copy statements, or that interest had been added to his credit card account (since 2012). She thought the letter NatWest had sent to Mr P in November 2022, whilst dealing with a difficult subject matter, was polite and reasonable. So the investigator didn’t think there was anything that NatWest needed to do in relation to the complaint.

Mr P didn’t agree with that assessment. So, as the complaint hasn’t been resolved informally, it has been passed to me, an ombudsman, to decide. This is the last stage of our process.

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 deciding this complaint I've taken into account the law, any relevant regulatory rules and good industry practice at the time. I have also carefully considered the submissions that have been made by Mr P and by NatWest. Where the evidence is unclear, or there are conflicts, I have made my decision based on the balance of probabilities. In other words I have looked at what evidence we do have, and the surrounding circumstances, to help me decide what I think is more likely to, or should, have happened.

At the outset I think it is useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

First of all I would like to say how sorry I was to hear of the health problems that Mr P has faced over the years, and the resulting impact of those problems on both his ability to work and his finances. I am pleased to see that he has been able to make us aware of those problems. And that he has discussed them with NatWest and that they have been considered as part of how the bank has dealt with the outstanding balance on Mr P's account.

I've looked closely at copies of Mr P's credit card statements since 2016. Those show that he has consistently met the payment arrangement that he agreed with the bank. Mr P has paid £10 each month towards his outstanding balance. And the statements also show that over the period of time in question, NatWest hasn't added any charges or interest to Mr P's account. So I don't think those parts of Mr P's complaint have any merit.

As I said earlier, Mr P has faced financial difficulties for many years. NatWest has agreed a repayment arrangement with Mr P that requires him to pay £10 per month towards his outstanding balance of more than £9,000. And I can see that NatWest has remained in regular contact with Mr P to ensure that any repayments he is making are affordable for him. So I don't think NatWest has acted unreasonably in the way that it has managed its relationship with Mr P about his outstanding credit card balance.

The repayment arrangements that NatWest put in place for Mr P generally run for a period of twelve months before being reviewed. I think a review of that nature is important. The regulator would expect a consumer in financial difficulties to be treated fairly, with forbearance and due consideration. But it is my understanding that the regulator's guidance isn't intended to leave debts outstanding for an indefinite period of time. Instead the requirement for lenders to show forbearance and due consideration to consumers who are facing financial difficulties is to allow a reasonable period of breathing space for consumers, facing an unexpected fall in their disposable income, to review their options.

Here, matters have remained outstanding for a significant period of time, although that appears to be with the agreement of both NatWest and Mr P. But, at the time of the regular review in November 2022, NatWest became aware that Mr P's current account with the bank held a large balance – in excess of what he owed the bank on his credit card. I understand that balance arose from an inheritance Mr P received following the sad death of his mother. So at that time NatWest wrote to Mr P asking him to get in touch, and discuss whether he might be able to clear his credit card balance more quickly.

It is clear that these would have been difficult times for Mr P, but it does seem that NatWest allowed a period of time before approaching him about his outstanding credit card balance. And I note that the letter NatWest sent to Mr P did not demand that he use the credit balance to clear his debt. Instead NatWest asked Mr P to get in touch to have further discussions.

I think that was a reasonable approach, and might allow Mr P the opportunity to explain that he had other more pressing needs for those funds. I don't think there was anything in the letter NatWest sent to Mr P that I should consider unreasonable.

I appreciate that this decision will not answer many of the questions that Mr P has outstanding, and in particular his concerns about why some Payment Protection Insurance he held did not clear his outstanding credit card balance when he first became ill. But as I have explained earlier, that isn't something it is appropriate for me to consider in this decision.

In summary, I don't think it would be fair or reasonable to conclude that NatWest has done anything wrong in respect of the matters that I set out for consideration in this final decision. So I don't think the complaint should be upheld.

My final decision

For the reasons given above, I don't uphold the complaint or make any award against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 October 2024.

Paul Reilly
Ombudsman