

The complaint

Ms P complains that National Westminster Bank Plc:

- Sent correspondence about her Enterprise Finance Guarantee (EFG) loan to an incorrect address.
- Bullied and harassed her over the phone, and generally treated her unfairly in respect of the arrears on her loan.

(I'm aware that Ms P has other concerns about NatWest's behaviour, including about the way the EFG was sold in the first place. She has raised that with NatWest as a separate complaint. This decision only concerns the issues set out above.)

What happened

Ms P took out an EFG loan for business purposes in 2018. The loan was in her own name, meaning that she is personally liable for repaying it. This was not a situation in which a limited company took out a loan supported by a personal guarantee from a director; the loan was in Ms P's name from the beginning.

NatWest also benefits from a government-backed guarantee for 75% of the original value of Ms P's EFG loan. That guarantee is for the benefit of NatWest, and provides protection to the bank in the event of default by Ms P. Ms P is still responsible for repayment of 100% of the EFG facility.

NatWest's position is that Ms P missed four loan payments, and its Relationship Managers contacted her as a result. Ms P's position is that the Relationship Managers' behaviour was unprofessional and caused her significant distress, and so she complained to NatWest.

Ms P was unhappy with NatWest's final response, so she referred the matter to the Financial Ombudsman Service. One of our investigators looked at this complaint, but she did not uphold it. She thought NatWest had treated Ms P fairly. Ms P did not agree, so the matter was referred 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.

Having done so, whilst I am sorry to further disappoint Ms P there is very little I can add to what our investigator has already said. I think our investigator was right to conclude that NatWest treated Ms P fairly when sent its correspondence, and when it contacted her about the arrears. But I will make some further comments below.

Ms P has complained that NatWest sent various documents to her business address rather than her home address. She said that was a problem because her business was in effect a

community hub, with many people coming in and out. Correspondence sent to her business could therefore be mislaid, whereas letters sent to her home address would always be read.

I don't think NatWest did anything wrong in writing to Ms P at her business address. The "address for service" given on Ms P's loan agreement was her business address rather than her home address, and so I consider that it was reasonable for NatWest to write to her business address. I also note that after Ms P raised this issue, NatWest sent her "change of address" forms to complete. Ms P made clear that she didn't think she should have to complete those forms, but again I think it was reasonable for NatWest to have required Ms P to complete some documentation to change the address correspondence was to be sent.

I can see that Ms P is in a very difficult position. The pandemic had a serious impact on her business, she has experienced periods of poor health, and she also has family responsibilities. Given her circumstances, I would expect NatWest to engage with her in a sensitive and supportive manner. I acknowledge that Ms P will strongly disagree with me, but I am satisfied that it did.

Ms P is clearly very unhappy with the behaviour of the NatWest Relationship Managers she spoke with. Her position is that they were unprofessional, and that they bullied her. However, I have listened to several calls between Ms P and the bank, and I disagree. My view is that NatWest's staff's behaviour was entirely appropriate. Ms P had missed several payments, and the bank's staff wanted her proposals for bringing the account back into order. In my view that was entirely reasonable, and in line with usual banking practice. I don't think NatWest's contact with Ms P was in any way excessive, and I don't think NatWest was "treating [Ms P] like a criminal".

I know Ms P is concerned about NatWest's use of its Relationship Managers to discuss arrears. It would not be appropriate for me as an ombudsman to criticise the way NatWest has split roles and responsibilities between its various staff members; that is a matter for the bank. But I will say that it is common for banks to use Relationship Managers to discuss the conduct of accounts, including any arrears on those accounts.

I see nothing wrong with the language that NatWest used, either in writing or over the phone. For example, the bank used the word "demand" in respect of the outstanding payments, which I think was simply an accurate statement of the position – NatWest was demanding the outstanding payments, and it was entitled to do so.

I can also see that Ms P did not welcome all of the help that NatWest offered. At one stage it appeared that Ms P might not have agreed that there were any arrears at all, and NatWest's staff offered to talk her through using online banking to see the status of the loan. It is unfortunate that she interpreted that offer as patronising, but again I see nothing wrong with the behaviour of the bank's staff – nor do I see anything wrong with the letters that it sent to her. It is obvious that Ms P would have liked NatWest to offer additional (or simply different) support, but in the circumstances I don't think it would be fair for me to criticise the bank for its actions.

For completeness, I should also say that I have not made any findings about anything that NatWest did after it issued its final response on 18 June 2024. As our investigator has explained, the Financial Ombudsman Service only has the legal power to consider a complaint against a bank once that bank has had the opportunity to investigate that complaint itself. Here, that means I have only considered the issues set out in NatWest's letter of 18 June 2024. It is of course open to Ms P to make additional complaints about other (or later) issues, and I understand that she has done so.

My final decision

My final decision is that I do not uphold this complaint about National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 20 May 2025.

Laura Colman
Ombudsman