

## The complaint

Mr W, a sole trader, has made several complaints about the actions of National Westminster Bank Plc. Briefly, he is unhappy about the level of financial support that NatWest gave to his business. I will set out his complaints in more detail below.

## What happened

Mr W and his family have banked with NatWest for many years. He told us that his family business has had an overdraft with NatWest from the late 1970s. At one point the bank made a facility of up to £70,000 available to the business, but in more recent years that dropped to £30,000. He said that between the late 1980s and 2022, numerous different NatWest relationship managers (RMs) agreed temporary overdraft increases of up to £6,000 when needed.

Mr W told us that his RM changed in 2023, and the new RM would not even agree temporary increase in the overdraft. The bank started to return direct debits unpaid, and in just a few months his previously unblemished credit history was ruined. The bank has also warned him he must repay the overdraft in full, and that it may require him to repay a business loan. He also raised concerned that NatWest had not treated him reasonably or fairly when it looked at his complaints.

NatWest told us that it sent three final response letters to Mr W's complaints. It told us:

- Its letter of 4 January 2023 responded to Mr W's complaints that:
  - He felt let down when the agreed interest rate of 5.37% was not applied when the fixed rate on his loan expired.
  - The bank's RM asked him to provide financial information when he requested a temporary increase in his overdraft facility, and this resulted in being charged for items that could not be paid.
- Its letter of 12 April 2023 responded to Mr W's complaints that:
  - When he requested an increase to his overdraft, the RM asked for further documentation to support that request.
  - The RM told him that the bank might not honour direct debits if insufficient funds were available.
- Its letter of 15 August 2024 responded to Mr W's complaints that:
  - He was told that his overdraft would not be renewed on 1 November 2024.
  - The bank's RM did not cancel the direct debits on his account despite being instructed to do so.
  - He did not receive an acknowledgement that his letter of 6 July 2024 had been sent to senior managers at the bank.
  - The bank declined his request to increase his overdraft facility leading to items being returned unpaid.

- The RM did not tell him of the options available to him under the Pay As You Grow (PAYG) scheme. (Mr W has not referred this issue to the Financial Ombudsman Service, and therefore I have not considered it.)

All of the bank's final response letters told Mr W that if he was not happy with the outcome, he had the right to refer the matter to the Financial Ombudsman Service within six months of the final response.

Mr W first complained to the Financial Ombudsman Service in September 2024 – more than six months after the NatWest's letters of 4 January 2023 and 12 April 2023.

NatWest objected to the Financial Ombudsman Service considering the issues it had discussed in its letters of 4 January 2023 and 12 April 2023. It said that it did not give consent to our service considering the issues out of time.

One of our investigators said NatWest had given Mr W new referral rights in August 2024, and all of his complaints were therefore made in time. She said we didn't have the legal power to look at his complaint about NatWest's complaint handling, but she could look at all the other issues Mr W had raised. However, she didn't uphold his complaints because she didn't think NatWest had done anything wrong.

Mr W did not accept our investigator's opinion, and so the matter was referred to me.

### **My provisional decision**

I issued a provisional decision on this complaint, and said:

"Having considered all the evidence and arguments, my provisional conclusions are:

- I **cannot** consider the complaints that NatWest responded to on 4 January 2023 and 12 April 2023, because those issues were referred to us too late.
- I **cannot** consider Mr W's complaint about the way his complaint has been handled, because complaint handling is not an activity we cover.
- I **can** consider the remainder of the new complaints that NatWest responded to on 15 August 2024 (including Mr W's complaint about NatWest's continuing failure to agree an overdraft after 12 April 2023), but I do not intend to uphold any aspect of those complaints.

I give more details about my provisional findings below.

### ***Were Mr W's complaints referred to us in time?***

We cannot consider all of the complaints that are referred to us. There are rules, which are set out in full in the Financial Conduct Authority's Handbook (available online at <https://www.handbook.fca.org.uk/handbook/DISP> ).

One of those rules, DISP 2.8.2R, says:

"The Ombudsman cannot consider a complaint if the complainant refers it to the Financial Ombudsman Service:

- (1) more than six months after the date on which the respondent sent the complainant its final response ...

unless:

(3) in the view of the Ombudsman, the failure to comply with the time limits in [above] was as a result of exceptional circumstances; or ...

(5) the respondent has consented to the Ombudsman considering the complaint where the time limits in [above] have expired.”

There is no issue with NatWest’s final response of 15 August 2024. Mr W referred his complaint to us in September 2024, which is well within six months of the date of the 15 August 2024 final response. But the other matters were referred to us over a year after the bank’s final responses of 4 January 2023 and 12 April 2023 – which means the six-month time limit had expired.

I can only consider a complaint after the expiry of the six-month time limit in very limited circumstances. Here, I would only have the power to investigate Mr W’s complaints about the matters covered in NatWest’s 4 January 2023 and 12 April 2023 final responses if NatWest consented to my doing so, or if I was satisfied that exceptional circumstances prevented Mr W from referring his complaints to us in time.

NatWest has not consented to my considering Mr W’s complaints outside of the time limit – on the contrary, NatWest has raised an objection. That means I must consider exceptional circumstances.

It’s clear that Mr W has been through an extremely difficult time, and I thank him for his openness in sharing medical information with us. He has explained why he felt under significant pressure, but so far I have not seen anything to suggest that exceptional circumstances prevented Mr W from complaining to us earlier. It is of course open to Mr W to provide further evidence in response to this provisional decision.

I acknowledge that our investigator said that NatWest gave Mr W new referral rights in its letter of 15 August 2024. But by that point, Mr W’s right to refer the matters discussed in the 4 January 2023 and 4 April 2023 final responses had already expired. There was nothing in NatWest’s August 2024 letter to extend the deadline of the previous final responses.

I also acknowledge that the overdraft issue is ongoing – Mr W is unhappy that NatWest did not agree an overdraft in 2023, but he is also unhappy that NatWest did not agree an overdraft in 2024 or in 2025. I can consider issues that arose after Mr W made the complaint that led to NatWest’s 12 April 2023 final response, which means that I can consider Mr W’s unhappiness about NatWest’s refusal to extend an overdraft to him in 2024. But I cannot consider the earlier issues.

### ***Can we consider a complaint about complaint handling?***

Mr W is unhappy with the way that NatWest handled his complaint, and specifically with its alleged failure to acknowledge that his complaint had been referred to a senior manager at the bank. But that is not something I can comment on.

Our rules set out the activities that we can consider complaints about. The full list is set out at DISP 2.3, and it includes regulated activities and any ancillary activities carried on by a firm in connection with those regulated activities. But it does not

include complaint handling. That means I do not have the legal power to consider a complaint about complaint handling. I have no discretion on that point, and so I cannot look at whether NatWest handled Mr W's complaints fairly.

### ***Did NatWest treat Mr W fairly?***

Looking at the remainder of the issues covered in NatWest's 15 August 2024 final response, I think the bank did treat Mr W fairly.

NatWest told us that between May 2024 and August 2024 it returned around 80 direct debits unpaid from Mr W's account because he had insufficient funds. Our investigator was right to say that the onus is on the customer to ensure they have sufficient funds to cover direct debits, and I don't think the bank did anything wrong. I haven't seen evidence that persuades me that NatWest's RM agreed to cancel those direct debits.

I accept that if NatWest had agreed to increase Mr W's overdraft, he might well have had sufficient funds to cover the May 2024 to August 2024 direct debits. But NatWest was not willing to extend Mr W's overdraft without sight of his accounts and various other documents (which he has explained he was not able to provide due to an issue with his accountant). Whether to lend is a commercial decision that NatWest is entitled to make for itself, and it is not something that I would ordinarily interfere with. I have seen nothing here to suggest that there was anything unfair or untoward in the way in which NatWest made its decision.

I acknowledge that NatWest may have agreed to lending requests in the past without wanting to see quite so much financial data (or indeed any financial data at all). But the fact a bank has previously let to a business on particular terms does not mean that the bank is required to continue lending to that business. I also note that it is now normal banking practice for banks to want to see financial data about a business before deciding whether to extend an overdraft to a particular business customer.

Mr W has asked us to order NatWest to give him more time to repay his overdraft. I don't think NatWest has done anything wrong, and so I am not proposing to order NatWest to do anything at all. But I do strongly encourage both Mr W and NatWest to talk to each other with the aim of reaching a mutually acceptable resolution."

NatWest did not have any further comments in response to my provisional decision.

Mr W strongly disagreed with my findings. Briefly, he said he was extremely concerned that his genuine complaints had been cast aside as outside of the jurisdiction of the Financial Ombudsman Service – and he said that if NatWest had done nothing wrong, the bank would not have objected to my consideration of his various complaints.

Mr W also reiterated his unhappiness that NatWest wanted to see historic accounts, rather than considering the additional income his business will receive in future. He wanted to make clear that he disagrees with NatWest about the risk posed by his business and by other businesses in the same sector.

### **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.

I am sorry to further disappoint Mr W, but I have reached the same conclusions as I did in

my provisional decision, for the same reasons.

Where – as here – a complaint is referred to our service outside the time limits, a bank has the right to object to our consideration of that complaint. I do not have the power to ignore that objection. I could only consider Mr W's complaints about the issues NatWest responded to on 4 January 2023 and 12 April 2023 if I was satisfied that exceptional circumstances prevented Mr W from referring those complaints to us in time. But I have not seen evidence of exceptional circumstances, and that means I cannot those issues.

To the extent that I can consider Mr W's complaint, I remain satisfied that NatWest has treated him fairly.

I have carefully read Mr W's response to my provisional decision but I am still not persuaded that NatWest has done anything wrong. NatWest's lending criteria are a commercial decision for NatWest, and it would not be appropriate for me to interfere with them. Even if Mr W is right to say that NatWest was more willing to lend to particular sectors in the past, the bank is entitled to change its mind.

I know that Mr W strongly disagrees with me, but I see no basis on which I could fairly uphold his complaints.

### **My final decision**

My final decision is:

- I **cannot** consider the complaints that NatWest responded to on 4 January 2023 and 12 April 2023, because those issues were referred to us too late.
- I **cannot** consider Mr W's complaint about the way his complaint has been handled, because complaint handling is not an activity we cover.
- I **can** consider the remainder of the new complaints that NatWest responded to on 15 August 2024 (including Mr W's complaint about NatWest's continuing failure to agree an overdraft after 12 April 2023), but I do not uphold any aspect of those complaints.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 22 April 2025.

Laura Colman  
**Ombudsman**