

## **The complaint**

Mr H complains that when National Westminster Bank Public Limited Company sold a number of business loans to another lender it gave incorrect details for some of the loans. As a result, he said that the new lender is trying to recover funds that are not actually due.

## **What happened**

Mr H said he took out the following loans with NatWest:

- Loan A – 24 April 2006 for £240,000 over 180 months.
- Loan B – 24 April 2006 for £240,000 over 180 months.
- Loan C – 24 April 2006 for £120,000 over 180 months.

In 2018 the loans were sold to another lender, S. It said that the amounts borrowed were actually:

- Loan A – 7 June 2006 for £240,000 over 180 months.
- Loan B – 7 June 2006 for £140,000 over 300 months.
- Loan C – 12 October 2006 for £116,250 over 300 months.

Mr H said he expected the loans to end in 2021 – and although loan A was repaid, lender S said that balances remained on loans B and C. He complains that NatWest must have given lender S incorrect details about the loans.

Mr H later accepted that the details lender S held for loan B were correct. But he has a loan agreement for loan C which states that he borrowed £120,000 over 180 months. He considers that loan C should therefore be repaid – and that he can't be held to different loan terms unless NatWest or lender S provide a signed loan agreement that supports what it is asking him to repay.

The investigator did not think the complaint should be upheld. He said that he found the evidence and explanation provided by NatWest more plausible and persuasive. Mr H did not accept what the investigator said.

## **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.

This complaint is about NatWest. I am not considering if there were any acts or omissions by lender S.

I will deal with loan C as that is the remaining loan that is in dispute. I'm afraid that the fact that Mr H has a loan agreement is not definitive proof that it is the loan that remains with lender S. I have to consider all of the evidence to determine what I consider is most likely to have happened in the light of the evidence. It is not unusual that NatWest has little information relating to the loans bearing in mind they were taken out in 2006 and sold to a third party more than six years ago.

Mr H has a signed loan agreement between him and NatWest dated 24 April 2006. The loan agreement says it is for £120,000 over a term of 180 months. Mr H considers this is loan C and that it should be operating on those terms.

NatWest said that Mr H took out three loans in January 2006 for £240,000, £140,000 and £120,000 respectively. It said those loans were drawn down and repaid in June 2006 with the proceeds of three further loans for £240,000, £140,000 and £120,000. It said the loan for £120,000 was eventually replaced by a loan for £116,250 in October 2006 (loan C). It said that the loan agreement Mr H has produced was never drawn down. NatWest has given us evidence to support which loans were drawn down and which weren't.

Further, NatWest has given us evidence that loan C was drawn down and that Mr H made payments towards the disputed loan until it was sold to lender S in 2018. I would note that the payments made to this loan do not correspond with the loan agreement Mr H has produced. For example, in January 2010, Mr H made a payment of £508.59 to the loan. But if the term was 180 months or 15 years, he would have needed to pay back over £600 per month just to repay the capital without any interest being applied. – and it is not in dispute that Mr H agreed to pay interest on the amount borrowed to the lender. It follows that it is more likely the loan was always intended to be repaid over the longer term – I would have expected the payments collected to be higher if the term was intended to be 180 months as Mr H said.

Overall, on balance, I consider it more likely than not that Mr H took out a loan for £116,250 in October 2006 repayable over 300 months. Mr H has a loan agreement dated April 2006 – and NatWest's evidence supports that a loan application was received around that time. But the evidence we have does not support that the loan ever went ahead or that the funds were drawn down. The amount Mr H paid to the loan was considerably less than would have been required if the loan was over a term of 180 months. And as set out above, NatWest has given us other evidence that supports its explanation.

Therefore, I do not consider that NatWest made an error or otherwise acted unfairly when it sold loan C to lender S. I appreciate that Mr H will be disappointed and that he sincerely believes that the loan is not operating correctly. But I'm afraid the evidence we have does not support his belief.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 May 2025.

Ken Rose  
**Ombudsman**