

## **The complaint**

Miss U is unhappy that National Westminster Bank Public Limited Company ("NatWest") didn't make her aware of what would happen if she missed a payment on her repayment plan. Miss U is also unhappy with the level of contact attempted by NatWest regarding her repayment plan not completing.

## **What happened**

Miss U was in a repayment plan with NatWest. Miss U believed that she had made all the payments on the plan, but when she spoke with NatWest, she was told that one payment hadn't been made. Miss U tried to contact NatWest to arrange payments for her loan, but NatWest wouldn't meaningfully engage with her and later defaulted her account.

Miss U wasn't happy about this and felt that NatWest had failed to properly explain what would happen because of the missed payment or fairly tried to contact her about the matter. So, she raised a complaint.

NatWest responded to Miss U but didn't feel that they'd done anything wrong by administering her account as they had, including by defaulting it. Miss U wasn't satisfied with NatWest's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that NatWest had treated Miss U unfairly and so didn't uphold the complaint. Miss U remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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, I note that Miss U has provided several detailed submissions to this service regarding her complaint. I'd like to thank Miss U for these submissions, and I hope that she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Miss U notes that I haven't addressed a specific point that she's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Miss U and NatWest. So, if I haven't addressed a specific point, I have considered that point, but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Miss U feels that our investigator didn't consider the specific points about which she is unhappy, including that NatWest failed to provide her with a list of attempted phone calls that they'd tried to make to her regarding her failed repayment plan. However, this service can only consider a point of complaint that has previously been referred to the business being

complained about, and which that business has therefore had the formal opportunity to consider and respond to.

In this instance, when Miss U raised her complaint with NatWest during a telephone call on 26 November 2024, the points of complaint she raised with NatWest were those that I've listed in 'The Complaint' section above. These were also the points of complaint that NatWest addressed in their initial formal complaint response Miss U, which gave Miss U the right to refer her complaint about those points to this service, if she wasn't happy about NatWest's response to her complaint. As such, I'm satisfied that it is those points of complaint that this service has the remit to consider.

Miss U is unhappy that NatWest didn't provide a list of attempted calls they made to her, as she feels that she's been unable to accurately consider NatWest's actions without that information. In this regard, I feel it stands to reason that if Miss U had been provided with that information, one of two possible outcomes would be true – either Miss U would be satisfied that NatWest had made reasonable attempts to contact her, in which case this aspect of her complaint would be resolved, or she would not be satisfied that was the case, and would feel that NatWest had defaulted her account without following a fair process.

Ultimately, it seems clear to me that Miss U is unhappy that NatWest defaulted her account. I feel that this is directly related to the two points of complaint referenced above. As such, I've considered from a general fairness perspective whether I feel that NatWest did act fairly by defaulting Miss U's account, in consideration of all the relevant circumstances and factors, including any attempts made by NatWest to contact Miss U before they did so.

Having done so, I'm satisfied that NatWest did explain to Miss U that her account could be defaulted if she didn't take the required action on the account, and I also feel that the fact that her account could be defaulted should reasonably have been apparent to Miss U regardless of the information that NatWest presented to her. I'm also satisfied that NatWest followed a fair process when defaulting Miss U's account, including in their attempts to contact her before they defaulted her account, and I'm ultimately satisfied that NatWest did act fairly when defaulting Miss U's account.

In taking this position, I've considered the fact that NatWest set up the repayment plan in question incorrectly, which meant that one required payment wasn't applied for, and which also meant that when further payments weren't made by Miss U, this wasn't recognised by their systems.

Miss U has said that she only missed one payment on the repayment plan – the payment that NatWest didn't apply for. But NatWest have demonstrated to my satisfaction that the payments scheduled for 1 January, 1 February, and 1 June 2024 were all returned unpaid due to insufficient funds. However, as explained above, these missed payments weren't recognised as having been missed by NatWest's systems, because of the incorrectly set up plan. This doesn't absolve Miss U of her requirement to repay those payment amounts, but it did mean that NatWest didn't contact her about those missed payments when they were initially missed.

When Miss U spoke with NatWest on 31 May 2024, she believed that she had made all the payments on the repayment plan and was unhappy when NatWest correctly informed her that an amount remained outstanding. I've listened to a recording of this call, and it's clear that NatWest's agent couldn't work out from the information they had available to them why the plan hadn't completed as planned. This appears to have been another consequence of the payment plan not being set up correctly by NatWest.

Notably, on that call, NatWest's agent suggested to Miss U that she could raise a formal

complaint about the matter, which would enable to issue to be investigated at length. But Miss U declined the agent's suggestion and was unhappy that the agent couldn't understand and resolve the matter themselves.

Importantly, on this call, Miss U instructed NatWest's agent to cancel the standing order that was set up to make ongoing monthly payments towards the plan, even though she had been informed that more payments needed to be made and that a balance was still outstanding. NatWest's agent did as Miss U requested and explained to Miss U that her repayment plan would break if she didn't make the required payments, to which Miss U said that she would look into the matter and call NatWest back a few days later. But Miss U didn't call NatWest back as she said she would, and she didn't speak with NatWest again for several months, until 26 November 2024, when she raised her complaint.

As explained above, while NatWest didn't set up the repayment plan correctly, and didn't reach out to Miss U when further payments on the plan weren't made, this doesn't absolve Miss U of her obligation to have made those payments. Indeed, as the account holder, it was Miss U's responsibility to have monitored her accounts and to have confirmed whether the required monthly payments were being made or not, and to have contacted NatWest about it if that wasn't the case.

Miss U has said that she wasn't made aware by NatWest that not making the required payments towards the plan could result in her account being defaulted. However, I don't feel that Miss U's position in this regard is reasonable. And given that Miss U had several prior repayment plans with NatWest, with her account having been managed by NatWest's collections and recoveries department since February 2022, I feel that it should reasonably have been apparent to Miss U that there could be significant consequences if she didn't make the payments that NatWest required of her.

I also don't accept Miss U's contention that NatWest didn't provide information and warnings to her that her account might be defaulted. Indeed, NatWest told Miss U that further action could be taken in letters that they sent to her on 1 June and 7 July 2024. Additionally, NatWest sent a default notice to Miss U on 29 July 2024 and a formal demand on 1 September 2024, both of which clearly explained that Miss U's account was in danger of being defaulted.

After the 31 May 2024 call in which Miss U instructed the cancelation of her standing order, NatWest reached out to Miss U about her account via several channels. This includes the letters previously mentioned, as well as emails and text messages sent to Miss U on 9, 25, and 30 June, all of which asked her to contact NatWest. Miss U may argue that NatWest didn't try to call her directly, but given that NatWest attempted to contact Miss U by text message to her mobile phone, by email, and by posted letter, I'm satisfied that NatWest did make fair and reasonable efforts to try and contact her, and I don't accept any argument that Miss U might potentially make that the lack of attempted phone calls means that NatWest acted unfairly.

All of which means that while NatWest did make an initial error, it was still Miss U's responsibility to have checked and ensured that the required monthly payments were being made and to have been aware if that wasn't the case. Additionally, when Miss U was informed by NatWest on 31 May 2024 that she had money still outstanding that she needed to pay, she cancelled the standing order that would have made ongoing payments to NatWest, and then didn't meaningfully engage with NatWest for several months, despite NatWest's ongoing and varied attempts to contact her.

In consideration of all the above, I'm satisfied that NatWest did follow a reasonable collections and recoveries process on Miss U's account that ultimately resulted in what I feel

was the fair defaulting of her account. It therefore follows that I won't be upholding this complaint against NatWest or instructing them to take any further or alternative action here.

I realise this won't be the outcome Miss U was wanting, but I trust that she'll understand, given all that I've explained, why I've made the final decision that I have.

### **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 Miss U to accept or reject my decision before 7 August 2025.

Paul Cooper  
**Ombudsman**