DRN-5629588

The complaint

Ms G complains about how NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY administered her debt.

What happened

Ms G owed NatWest a debt that was related, it appears, to an overdraft. Ms G had been making repayments towards her debt via a firm I'll call "W". In November 2024, NatWest completed the sale of her debt to a third-party debt purchaser – I'll refer to them as "P".

In early 2025, Ms G complained to NatWest; she said, in summary, that she hadn't been informed of her debt being sold to P. Ms G also said that the address provided to P, by NatWest, was wrong – and this caused issues with the reporting on her credit file. Finally, Ms G thought NatWest had taken too long to handle her complaint.

NatWest decided to uphold Ms G's complaint in part. It agreed it had taken too long to deal with the matter, and it paid her £50 compensation. For the other aspects, though, NatWest didn't consider it had done something wrong. It explained that it had made a commercial decision to sell Ms G's debt – something it was entitled to do – and post-sale it had appropriately marked its default record, on Ms G's credit file, as satisfied with a zero balance. Lastly, the bank said it had been provided Ms G's updated address (via W) in September 2024; relevant information about the debt had already been passed to P by that time, in July, and the debt sale completed in November. So, essentially, NatWest didn't pass on Ms G's new address information.

Ms G remained unhappy, and she contacted this Service for an independent review. An Investigator here considered what had happened; having done so, they thought NatWest ought to have done more to ensure Ms G's address information was accurate – and thought that it should pay Ms G a further £100 compensation to reflect the inconvenience – but aside from that, the bank hadn't done anything wrong.

NatWest agreed, and it said it'd pay Ms G a further £100. Ms G, though, disagreed; she didn't think £100 went far enough to address the stress the matter had caused. She asked for an Ombudsman's decision. So, as no agreement has been reached, the complaint has now been passed to me to decide.

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.

To begin, I must set out that my review here focusses only on the actions of NatWest – not P, or W. As I understand it, Ms G is pursuing another complaint against P and, to be clear, I make no comment on that. All I've considered in this decision is the actions of NatWest.

Broadly speaking, NatWest isn't under any obligation to seek consent before it decides to sell a customer's debt. It can do so if it chooses, and that's a legitimate commercial decision for the bank to make. So, while I can understand Ms G's frustration at her debt being sold while repaying via W, I can't fairly conclude that NatWest did something wrong by selling the debt to P. In saying that, if NatWest was going to notify Ms G – as it did here – then it ought to have written to the correct address, particularly as it was in possession of the accurate address details at the time it wrote to her.

I can understand too why Ms G holds the view that the default applicable to this debt was duplicated; but, from what I've seen, that isn't the case. NatWest has shown that upon completion of the debt sale to P it amended its default record, on Ms G's credit file, to show the debt had been satisfied. That's normal practice, and just what should happen in scenarios such as this; I'll say too that such action is in line with the guidance stipulated by the Information Commissioner's Office. Effectively, NatWest settles its recorded default, P then takes over as owner of the debt and it creates its own record. That doesn't mean Ms G has two defaults for the same account – it's simply a continuation of the same debt, and default, recorded by the different owners.

That aside, there's clearly been an issue with Ms G's address. As I understand it, Ms G updated her address directly with W – but that information didn't immediately work through to NatWest, the bank only recorded Ms G's new address after it had already passed details of her debt to P and agreed the sale. In any event, that's not the fault of Ms G. The information I have suggests NatWest was aware of Ms G's new address in September 2024; and while I know it had already agreed the debt sale to P in July, it seems it didn't *finalise* that sale until November. So, given it had received new relevant information, I think it really ought to have noted the address change to pass on to P.

In any event, my understanding is that P has updated all that it needs to regarding Ms G's address – and as the new owner of the debt it would fall to P to do so. I know Ms G has concerns about the impact of wrong information on her credit file, and in particular her ability to secure a mortgage, but I've not seen that any issues specifically with her address details has caused further adverse effect; more so than a default – either for this account, or any others Ms G may have recorded against her – would otherwise bring regardless.

Finally, I note Ms G had some concerns about a slight discrepancy in the amount this default was recorded for; P recorded a balance of £3 more than NatWest. It seems this occurred because that's the amount Ms G owed when NatWest defaulted the account, but the balance then reduced due to further nominal payments made before the debt was passed to P. In a similar fashion to the issue with her address, my understanding is that P has now updated the balance – but as I've already explained, I can't comment on anything related to the actions of P here, or whether it recorded the right or wrong amount. Instead, from what I've seen, NatWest reported the correct balance to Credit Reference Agencies at the time it sold the debt to P. It follows that I don't think it did something wrong in regard to the balance discrepancy.

In closing, as I've said, I do think NatWest could've done more to ensure P had all necessary and accurate information when it completed the sale of Ms G's debt. To that end, I think the bank's agreement to pay a further £100 compensation, in addition to the £50 already paid, is a fair and reasonable way to put things right. So, that's what I require it to do.

My final decision

My final decision is that I uphold Ms G's complaint. I now require NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to pay Ms G £100, as it's offered to do.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms G to accept or reject my decision before 24 September 2025.

Simon Louth
Ombudsman