

The complaint

Miss W has complained about NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY's (NatWest) communication with her regarding her overdraft.

What happened

Miss W had an overdraft with NatWest. Unfortunately, she began experiencing financial difficulties, and NatWest sent her a letter dated 21 October 2021, to say the account was in arrears and repayment was needed.

On 3 November 2021, Miss W contacted NatWest, using the webchat feature. She queried the letter, and NatWest saw that correspondence had crossed. It had in fact accepted a reduced payment offer of £14.45 a month, made through StepChange.

On 27 November 2021, NatWest sent Miss W a further letter. This said the account had been sold to a third party. It was followed by another letter on 6 October, confirming the account closure. The account had been defaulted.

One of our investigators looked into what had happened. But she was satisfied that in these circumstances, registering a default was fair, as the account had fallen significantly into arrears, was no longer being operated within the agreed terms, and had been passed to a third-party debt collection agency.

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'm not upholding it. Although a repayment plan had been agreed, this didn't mean NatWest couldn't default the account, close it and pass it to a third party. This is because of the arrears on the account, and the repayments being lower than what was contractually required.

I know this will have been upsetting for Miss W, and I know things must have been difficult, and she was doing what she could to sort things out. But NatWest didn't do anything inherently unfair.

I note that records stay in a credit file for six years. I appreciate circumstances were hard, and I hope things are now improving for Miss W.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 16 September 2025.

Elspeth Wood
Ombudsman