DRN-5677217

## The complaint

Mrs L complains that National Westminster Bank Plc ('NatWest') didn't remove her from a joint current account, and this led to a default on her credit file which she wasn't warned about.

Mrs L is unhappy that she's had to pay the overdraft debt on the account to have the default removed, and she's seeking compensation from NatWest.

## What happened

Mrs L held a NatWest joint account with her ex-partner ('A'). Mrs L complained to NatWest that she'd recently discovered a default on her credit file and she was about to apply for a mortgage. Mrs L said she'd not run up the overdraft debt on the current account and it wasn't fair that she was being impacted by this, given her efforts to remove herself from the account.

NatWest offered to remove the default from Mrs L's credit file but said she'd need to clear the balance first. NatWest indicated that they'd not been able to remove Mrs L from the account because of incomplete information, and more recently, A's insolvency.

Mrs L paid the balance and NatWest arranged to remove the default, but she was very unhappy as she felt she'd been coerced into paying when she had no knowledge of the debt. She referred her complaint to the Financial Ombudsman Service.

Our investigator considered the complaint without adding A as a party, given the complaint was about the impact on Mrs L's credit file and the upset this had caused her. Our investigator considered that NatWest had followed the process for removing a party from a joint account, and that the default had been fairly applied. She thought NatWest's offer to remove the default was fair in the circumstances and didn't propose they take further action.

Mrs L strongly disagreed, and the matter came 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I've decided it is appropriate for me to consider this matter without adding A as a party, because I don't think his interests are affected by Mrs L's complaint, which centres on her credit file.

I am sorry to disappoint Mrs L but having investigated her complaint I have decided not to uphold it, for broadly the same reasons as our investigator. I'll explain why.

I recognise Mrs L feels she's been pressured into paying a debt that she might not have chosen to pay, and she wants a refund. Even if I found NatWest had done something wrong here I wouldn't be minded to ask them to refund Mrs L what she'd paid, because she was under a contractual obligation to pay the balance.

I say this because the basis of the agreement with NatWest is that Mrs L and A are jointly and severally liable for any debt. This means that Mrs L or A can be asked to pay the whole of any debt individually or together – although NatWest can't recover it twice.

Mrs L says she was unaware of the growing overdraft on the account. NatWest's system notes show statements were being generated and sent and text messages and emails were also sent regarding the overdraft usage. Mrs L was invited to agree an overdraft reduction plan. I can understand why Mrs L may not have wanted to engage with this as when she and A separated it was agreed that A would maintain the account and Mrs L would be able to use it to access funds for their children. But given NatWest's correspondence, and Mrs L's use of the account, I don't think I can fairly conclude she was not given the opportunity to review the account balance.

NatWest's records show they only became aware of a dispute between Mrs L and A in 2024. I agree with our investigator that NatWest could only consider taking steps to limit the spending on the account if they were aware of a need to do so.

Mrs L is upset that NatWest didn't remove her from the account when she asked as this would have saved her a lot of trouble. I'm aware NatWest's process is to require the involvement of the party being left on the account as they'd need to be solely responsible for any debt or overdraft facility. I think NatWest fairly followed this process.

I say this because I can see NatWest's record of a request logged in 2023 but this wasn't actioned as further information was needed – likely to do with how A was going to manage the overdraft facility – and this wasn't received. I haven't seen evidence of previous requests or records that show information was received but not actioned by NatWest. So, I haven't found evidence that NatWest ought to have removed Mrs L from the account in 2023, or before.

NatWest logged a request to remove Mrs L as an account holder on 19 August 2024, and they said they'd usually process this within three to five workings days. Unfortunately, this coincided with NatWest being made aware that A was likely entering an IVA, as a meeting of creditors was called on 22 August 2024. A subsequently entered the IVA.

NatWest were therefore aware that A was unlikely to be able to repay the account's overdraft debt as a sole account holder and this meant NatWest didn't remove Mrs L from the account. I don't think it was unfair or unreasonable for NatWest to keep Mrs L as an account holder in these circumstances.

NatWest then defaulted the account with no prior warning to Mrs L, though they notified her a short time after. I can understand why Mrs L was upset about this as usually a lender will give notice of an upcoming default so it can be avoided. However I don't think NatWest were obliged to forewarn Mrs L of the default in these circumstances.

I say this because the Information Commissioner's Office, which gives guidance on the registering of defaults, says:

*"…circumstances which may lead to the recording of a default:*
*… [Case 5] The account is or has been included in a bankruptcy, CCJ, Individual Voluntary Arrangement (IVA) or similar.*

*The lender must have notified you of their intention to register a default against you at least 28 days before doing so, in order to give you time to make an acceptable payment or reach an agreement with them on an arrangement… However, in [Case 5] the lender or provider does not need to provide a notice and can file a default as soon as they become aware of the situation."*

I think it was fair for NatWest to offer to remove the default if Mrs L could pay the balance before a set date, although I know she felt pressured to do so because of her mortgage application. I don't think NatWest intended to pressure Mrs L to pay, rather they were offering a solution to a problem she was facing. I think Mrs L would likely still have felt pressured if she'd had a default notice, as this would not have given her much time to raise the funds to avoid a default being registered.

I acknowledge that much of Mrs L's unhappiness comes from the fact she's been left to pay the balance of a debt she's not created and I sympathise with this. I recognise that a breakdown in a partnership is challenging, particularly where children are involved and there's a financial worry on top. I want to be clear that when reaching my decision it is not the fairness of the situation I must consider, it's whether NatWest have treated Mrs L unfairly.

I know Mrs L is very upset by what's happened but I think NatWest have treated her fairly. I think they've fairly followed their process here and, given Mrs L is jointly liable for the debt, have taken a fair stance in relation to default. I've seen evidence that NatWest have arranged for the removal of the default now the debt has been paid.

In the circumstances, I haven't found cause to uphold Mrs L's complaint and so I won't ask NatWest to take any action.

**My final decision**

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 27 August 2025.

Clare Burgess-Cade
**Ombudsman**