

The complaint

Mr C and Mr D, a business partnership, are unhappy that National Westminster Bank Public Limited Company ("NatWest") consider them personally liable for an outstanding Bounce Back Loan ("BBL") debt.

What happened

In December 2020, the Partnership successfully applied to NatWest for a BBL and received the loan funds that same month. In November 2023, the Partnership ceased trading and following discussions with the Partnership's relationship manager ("RM") both Mr C and Mr D were of the understanding that the remaining BBL debt would be written off. However, NatWest continue to hold Mr C and Mr D personally liable for the outstanding BBL balance, contrary to what the RM had told them. Mr C and Mr D aren't happy about this, so they raised a complaint.

NatWest responded to Mr C and Mr D and explained that they didn't hold recordings of the calls with the RM which meant that their claims about what the RM had told them couldn't be verified. In the absence of the calls, NatWest accepted that the RM may have given Mr C and Mr D incorrect or misleading information and paid £150 compensation to them because of this. However, NatWest explained that Mr C and Mr D did remain personally liable for the outstanding BBL balance following the closure of the Partnership. Mr C and Mr D weren't satisfied with NatWest's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they felt that NatWest's response to the complaint already represented a fair resolution to what had happened. Mr C and Mr D didn't agree, 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.

Mr C and Mr D would like NatWest to honour what they say they were told by the RM, which is that the outstanding BBL balance would be written off following the closure of the Partnership.

If I accept that Mr C and Mr D were told by the RM that the BBL would be written off, then that would constitute incorrect information on the part of the RM. This is because Mr C and Mr D do remain personally liable for the outstanding balance following the closure of the Partnership, as per debt liability legislation for general partnerships, which state that all partners remain jointly and severally liable for a partnership's debts, even if the partnership closes.

This means that it isn't the case that Mr C and Mr D aren't liable to repay the outstanding BBL balance. Instead, what has happened is that Mr C and Mr D may have incorrectly been told that they wouldn't be held liable for a balance that they are liable for, and that the balance would be written off.

But if Mr C and Mr D were incorrectly told as such, I wouldn't feel that this would mean that NatWest should write off the outstanding balance. This is because I feel that absolving Mr C and Mr D of their outstanding liability because they were incorrectly told that they wouldn't be held liable would be disproportionate.

To use an extreme example, if I hand a lottery ticket to a shop assistant, and that assistant incorrectly tells me that I've won a million pounds when in fact I hadn't, it wouldn't be expected that the shop assistant or the shop should pay me a million pounds. Instead, it would be expected that I would receive an apology for the incorrect information, with the shop potentially offering me some small form of compensation.

Similarly, if the RM incorrectly said that Mr C and Mr D aren't liable for the outstanding BBL balance, I wouldn't fairly or reasonably expect NatWest to no longer hold Mr C and Mr D liable for that outstanding balance that they are liable for. Instead, I would reasonably expect NatWest to apologise to Mr C and Mr D for the incorrect information they may have received and to potentially pay some small compensation to them.

This is what have NatWest have done. They've accepted that the RM may have given Mr C and Mr D incorrect information and apologised if that were the case. And they've also paid £150 to Mr C and Mr D for any trouble or upset that incorrect information may have caused. But NatWest have confirmed that they do still consider Mr C and Mr D to be liable for the outstanding BBL balance, which feels fair to me, because Mr C and Mr D do remain liable for that outstanding amount.

Importantly, even if Mr C and Mr D or NatWest had been able to provide a call recording so that it could be confirmed that the RM had incorrectly told Mr C and Mr D that the BBL balance would be written off, my position wouldn't change here. And this is because, as explained, the provision of the incorrect information wouldn't change the fact that Mr C and Mr D remain liable for the BBL balance and would only warrant an apology and some small compensation – as NatWest have already provided.

I realise this won't be the outcome that Mr C and Mr D were wanting, but it follows that I won't be upholding this complaint or instructing NatWest to do anything more. This is because I feel that the apology and payment of £150 compensation that NatWest have issued already represents a fair resolution to Mr C and Mr D being incorrectly told that the BBL balance would be written off. I hope that Mr C and Mr D understand, given what 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 Mr C and Mr D to accept or reject my decision before 2 December 2025.

Paul Cooper
Ombudsman