

## **The complaint**

Miss E is unhappy with the service she received from National Westminster Bank Plc (“NW”) when she contacted them about the agreed actions in relation to her personal loan from a previous complaint.

## **What happened**

Miss E took out a personal loan with NW in January 2023. The loan was for £8000 over a term of 48 months.

Miss E subsequently raised a complaint that the lending was irresponsible. The complaint was upheld by this service. NW agreed to refund the interest that Miss E had paid on the loan and for the balance to be repaid interest free. NW confirmed the agreement to Miss E on 15 October 2024 and requested that she contact them to set up a repayment plan for the loan balance.

NW’s Financial Health and Support Team attempted to contact Miss E on 17 October 2024 and left a voice message. NW also sent a SMS message asking Miss E to contact them.

Miss E contacted NW via webchat on 6 November 2024 and said she was expecting a call about her loan balance. The agent advised Miss E that a call had been attempted on 17 October 2024 and advised her to contact the Financial Health and Support Team.

NW sent letters to Miss E in November 2024 reminding her to contact the Financial Health and Support Team. The letters advised Miss E that it would start reporting the loan to the credit reference agencies. The Financial Health and Support Team attempted to contact Miss E by telephone on 19 November 2024, but the call was dropped. Further calls were attempted on 20 November 2024 and 21 November 2024.

On 27 November 2024 Miss E contacted the Financial Health and Support Team to set up a repayment plan. She was advised that she would need to complete an income and expenditure form. Miss E was sent a link to access this and agreed to complete it.

Miss E sent back an income and expenditure form on 8 January 2025 and a further form on 4 February 2025. NW said there was a significant variance between the two forms and neither form contained an acceptable level of detail in relation to outgoings.

Miss E didn’t contact the Financial Health and Support Team since February 2025. NW issued a Notice of Default on 21 March 2025 followed by a Formal Demand on 24 April 2025.

Miss E complained to NW. She said that when she called NW to try and set up a repayment plan the agent had been unhelpful and had placed her on hold for a long time. Miss E said when she tried again to set up a repayment plan, she’d sent in an income and expenditure form but was told she had done it wrong, so she amended it and sent it in again.

NW issued a final response on 30 January 2025. It acknowledged that Miss E had been

placed on hold on multiple occasions in January 2025 and apologised for the poor service. NW paid compensation of £220 for the trouble and upset caused.

Miss E remained unhappy and brought her complaint to this service. She said the loan was being reported as missed payments on her credit file and she felt she'd done everything she could to try and set up a repayment plan.

Our investigator didn't uphold the complaint. He said that NW had been clear on the need to set up a payment arrangement which required the completion of an income and expenditure form. He said that as a payment arrangement hadn't been set up, NW had acted correctly by reporting the loan to the credit reference agencies.

Miss E didn't agree. She said she'd provided an income and expenditure form twice. She said on the first occasion she was told she had completed it incorrectly and on the second occasion she was advised that more information was needed and that someone would contact her, which they never had. Miss E said she'd spent hours on the phone trying to set up a repayment plan with NW but was always told that there was something else that they needed. She said her mental health had been impacted.

Because Miss E didn't agree I've been asked to review the complaint.

### **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 know it will disappoint Miss E, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the contact notes and copies of letters provided by NW. I've also taken account of the information provided by Miss E including her income and expenditure form.

There's no dispute that Miss E's previous complaint about irresponsible lending was upheld and that NW agreed to refund interest and set up a payment arrangement with Miss E so that she could repay the loan balance.

NW have shown that they made several attempts to contact Miss E regarding setting up a repayment plan in October and November 2024 via calls, SMS and letters. Miss E has acknowledged that she missed the call in October 2024.

I can see that Miss E contacted NW in November 2024. The system notes record that Miss E was unhappy about being requested to complete an income and expenditure form because she knew how much she wanted to pay. I can see that Miss E ultimately agreed to complete the income and expenditure form and was sent the link in November but didn't complete the form until January 2025. Having reviewed the form that Miss E submitted in January 2025 I can see that further information was needed and this was the case when she submitted the second form in February also. I can't see that Miss E has made a third attempt to submit the form with full information regarding her essential outgoings, which is what NW appear to be waiting for before they can agree a payment plan.

NW has acknowledged that Miss E experienced long periods of being placed on hold when

she called in January 2025. It has apologised for this and has paid compensation of £220.

I understand how frustrating it must've been for Miss E to be placed on hold. However, I can see that NW has clearly communicated the need to set up a payment plan and it's up to Miss E to provide a full completed income and expenditure form and reach agreement with NW on a suitable payment. NW need to have a fully completed income and expenditure form from Miss E before it can agree anything because it has an obligation to make sure that any payment arrangement it agrees is affordable for Miss E.

Based on what I've seen, I don't think NW has made an error or treated Miss E unfairly by starting to report the missed payments on the loan to the credit reference agencies. It's been several months since NW first asked Miss E to contact them to set up a payment plan and it still hasn't been set up.

In relation to the service that Miss E received when she called, I think the compensation already paid is fair and reasonable, so I won't be asking NW to increase it.

### **My final decision**

My final decision is that I don't uphold the complaint.

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

Emma Davy  
**Ombudsman**