

The complaint

Mr H has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') unfairly pursued him for a disputed outstanding balance.

What happened

Mr H had an account with NatWest, which it passed to a third party debt collector, which I will call 'Z'. At that point, the account had an outstanding balance of £412.20, which Mr H has explained he cleared over 15 repayments to Z, and Z wrote to him to confirm a final payment of £112.20, which he also paid by April 2024. So, he feels the arrears had been fully settled.

However, NatWest has told Mr H he still owes £300. He was told this was because £300 of payments which Z passed to NatWest were redirected to another account held by Mr H, as he'd 'switched out' his account. So, they were not applied to the debt with NatWest. This sum of £300 was then passed to another debt collector, 'W'.

Mr H has said he wasn't aware of receiving the funds into his switched account, and NatWest unfairly demanded bank statements for that account. He's also concerned about potential damage to his credit score.

One of our investigators looked into what had happened. And, having reviewed the statements for Mr H's new account, she was satisfied that twelve payments of £25 each, totalling £300, had been credited to that account. This represented the £300 NatWest said it hadn't received towards the debt. So, she was satisfied that NatWest had been fair in saying this sum was still outstanding, and requesting statements.

Mr H disagreed. He said neither Z nor NatWest had told him that any of the £300 in payments had been refunded or unallocated. It's affected his credit rating and caused significant stress. Despite providing all requested evidence, NatWest continues to assert that there's an outstanding balance, without producing any proof of an actual £300 transaction received back by him.

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. I'll explain why. It's clear from Mr H's statements from his new bank, that he received the disputed £300 back – over a number of months. And I think it likely, on balance, he'd have seen this at some point during that period. And certainly, when the dispute began, he could have looked and seen the sums had gone into his account – and taken action. So, I don't think it was unreasonable for NatWest to hold him liable for repayment of this amount, regardless of whether or not he continued to dispute it.

I note I can only comment on the actions of NatWest, as it is the respondent to this complaint. I cannot comment on the actions of Z.

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 Mr H to accept or reject my decision before 17 November 2025.

Elspeth Wood
Ombudsman