

The complaint

Miss J complains that National Westminster Bank Public Limited Company trading as Ulster Bank has decreased her overdraft limit.

What happened

Ulster Bank wrote to Miss J in January 2025 and explained that it had taken the decision to reduce Miss J's overdraft from £3,000 to £500. Miss J says she didn't receive the letter. And she says that the type of account she held meant that the overdraft limit couldn't be changed.

Ulster Bank responded to Miss J's complaint, but they didn't uphold her concerns. They explained they wrote to Miss J giving her notice of its intention to reduce her overdraft limit, and because she didn't respond to the letter, it reduced her limit. It explained that it had taken the decision to reduce the overdraft limit after a review of Miss J's account. It explained that the new overdraft limit was more than Miss J had used in the six months prior. And it said that Miss J could have her limit reviewed in the future if her circumstances change.

An Investigator considered what both parties had said, but they didn't think Miss J's complaint should be upheld. They explained that the letter, letting Miss J know about the change in overdraft limit had been sent to the address Ulster Bank held on file for her. And they explained that the terms and conditions of Miss J's account allow it to make changes to the overdraft limit. The Investigator also looked into Miss J's concerns about how Ulster Bank had handled her complaint, but they didn't think Ulster Bank had treated Miss J unfairly.

Miss J didn't agree with the Investigator's view. In summary, she reiterated that she hadn't received the letter, and it could have been sent to a different address. She explained that the type of overdraft she had meant that the limit couldn't be changed, unless she had misused the facility. She adds that Ulster Bank shouldn't have reduced the overdraft without consulting with her first – and that this is potentially a breach of contract. She also reiterated that she hadn't received a call back from the agent at Ulster Bank.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

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 considered all of the evidence available to me, I don't uphold Miss J's complaint.

I have read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a

discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

I've checked the terms and conditions of Miss J's account, and these state that "*We may also decide to reduce your arranged overdraft limit or end your overdraft agreement. We'll only take these steps if we have a valid reason (for example, we reasonably believe that you can't afford your arranged overdraft). Before we demand repayment, reduce your arranged overdraft limit or end your agreement. we'll usually give you at least 30 days notice.*"

I've looked at the letter Ulster Bank sent to Miss J letting her know it was going to reduce her overdraft limit. This is dated 15 January 2025, and it explained that the limit would be reduced to £500 on 27 February 2025. I'm satisfied Ulster Bank provided Miss J with the required notice period under the terms and conditions of the account.

The terms and conditions also state that Ulster Bank would only take steps to decrease a limit where it has 'valid reason'. The letter Ulster Bank sent to Miss J explains that it took the decision to reduce the overdraft limit after checking her account – stating that the previous limit may no longer be suitable. I have asked Ulster Bank some more questions about why it felt the limit was no longer suitable, and it explained that based on Miss J's income, it didn't think the limit would be affordable due to 'reduced free income on the account'.

Given that Ulster Bank has obligations as a responsible lender, I don't think its decision here was unreasonable. It is also up to Ulster Bank to make a commercial decision in deciding what risk it is prepared to take when providing credit to a customer. This Service wouldn't generally interfere with a firm's commercial decision, as long as it appears to be fair. And given the information that Ulster Bank reviewed, I can't reasonably conclude that its decision to reduce the limit was unfair.

I can see Miss J has raised concerns that Ulster Bank took this decision without consulting with her first. I can understand why she might be unhappy about this, but there was no requirement for Ulster Bank to discuss this with Miss J prior to making the decision. The reduction of the overdraft limit is ultimately a decision that Ulster Bank is entitled to make. And as I've explained, it provided her with the required notice letting her know of its decision.

Miss J states that the type of overdraft she held was one whereby the limit would be for life and couldn't be changed or removed. I've seen no evidence of this. And Ulster Bank has confirmed the type of account Miss J held and provided a copy of the terms and conditions for this account which states that the limit can be changed and removed. While Miss J might have had a different type of overdraft at a different stage of her relationship with Ulster Bank, I'm satisfied that the overdraft facility she currently has allows for the limit to be changed. And for the reasons I've already explained, I don't think it was unreasonable that it took the decision to make the change to the facility.

I note Miss J says she didn't get the letter Ulster Bank sent her about the change to the overdraft limit. I can see the letter was sent to the address it held on file for her. Miss J has said that there are lots of addresses near her that have a similar name and sometimes post is sent to the wrong place. So I accept it's very possible Miss J didn't get the letter. But given Ulster Bank has provided a copy of the letter and has provided evidence to show it was sent, I'm satisfied that it did what it needed to do in notifying Miss J of its decision to reduce the limit. While I appreciate that it must have been frustrating for Miss J to not have got the information relating to her account, I can't fairly find that this was as a result of something Ulster Bank has done wrong.

Miss J has raised concerns about not receiving a call back from one of the agents about her complaint. This is a complaint about how Ulster Bank has handled her complaint, and not something I am able to comment on. I say this because a complaint about complaint handling isn't a regulated activity, nor is it a specified activity in the rules I must follow about the types of complaints I can and can't consider – I'm also not persuaded that in this case, it is ancillary to a regulated activity either. That being said, I have considered the service provided by Ulster Bank more generally, and I haven't found it has treated Miss J unfairly or unreasonably.

My final decision

For the reasons set out above, I don't uphold Miss J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 28 November 2025.

Sophie Wilkinson
Ombudsman