

The complaint

Mrs T has complained that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY ('NatWest') failed to update her about her offer to settle an outstanding balance, resulting in the debt being passed to a third party collections agent. Mrs T would like the outstanding sum to be written off.

What happened

Mrs T had an outstanding balance with NatWest, and in September 2022, she made an offer to settle it. However, NatWest didn't reply. The next she heard was when a third party contacted her about it in September 2024.

NatWest said it hadn't accepted Mrs T's offer as it was too low, but accepted it hadn't advised her of this. It paid her £50 compensation, apologised and provided feedback to the relevant departments involved.

One of our investigators looked into what had happened. She could see that Mrs T had been in a repayment plan for a current account and a loan account. The two accounts were combined when passed to the legal team, but Mrs T only continued to receive annual statements in respect of the loan account. NatWest explained this was because it's a regulatory requirement to send annual statements in respect of the loan account, but not the defaulted current account. Mrs T explained that it led her to believe she only owed the sum for the loan account.

Our investigator didn't agree and thought Mrs T would have reasonably known about the current account debt, particularly because she requested a final settlement figure prior to her making her offer in September 2022. So, our investigator was satisfied that Mrs T was aware of the total debt balance, and made a full and final settlement offer based on the combined debt.

Although Mrs T didn't hear back, she stopped repayments. So, in September 2024, NatWest instructed third party debt collection agents to recover the remaining balance.

Our investigator thought NatWest had behaved fairly, and that Mrs T had been aware of the full outstanding amount of the debt. And although she hadn't received a response to her offer, she still had a responsibility to continue making repayments, until the offer was accepted or declined. Our investigator didn't think it would be fair to require NatWest to write off a debt it was fairly owed. She thought the £50 compensation paid was fair, in the circumstances.

Mrs T disagreed. She said she made an offer in good faith and it was ignored. She doesn't think there's any evidence that the outstanding sums were combined as one debt. Because she heard nothing from NatWest in over two years after her offer, and any statements received were for the loan account, she didn't think it was unreasonable to believe that the current account was inactive. Further, the contact she received from the third party in September 2024 was about the loan account. It wasn't until January 2025 that it also contacted her about the current account. She feels the current account was 'lost' in the

system, and she shouldn't be held responsible for NatWest's error.

The complaint's now been passed to me.

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, as I think NatWest has done enough to put things right. I know this will be disappointing, but I'll explain why.

It seems the two debts were combined purely as an internal measure, to simplify matters when Mrs T was making repayments under her repayment plan. But this had no effect on how much was outstanding – which was the debt from the loan account and the current account. And I'm satisfied Mrs T would reasonably have been aware of the full amount owing, as she was told what it was when she requested the settlement figure.

I'm aware the loan account debt has now been settled, but the current account still has outstanding debt. I think Mrs T would have been reasonably aware of this, given that she'd not been told her offer had been accepted, but had stopped repayments. The sum she later settled was not the full amount she'd been told was outstanding. So, even though she didn't receive statements for the defaulted current account (as it's not a regulatory requirement), I don't think it was reasonable to conclude that this meant the debt simply didn't exist anymore. Further, there's no evidence to show the account was 'lost'. But even if it had been, the debt was outstanding, and Mrs T had stopped making repayments.

Although NatWest should have responded to Mrs T's offer, the fact it didn't isn't enough, in my mind, to mean money was no longer owed. I think the £50 paid in recognition of the error is fair, and in line with what I'd have awarded.

Accordingly, I'm satisfied that NatWest was entitled to pass the outstanding debt to the third party. If she hasn't already, I'd urge Mrs T to contact it, to arrange a suitable repayment plan.

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 Mrs T to accept or reject my decision before 23 February 2026.

Elspeth Wood
Ombudsman