

The complaint

Mr G complains that NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest) didn't treat him fairly when he began to experience financial difficulties.

What happened

Mr G held loans, a credit card and a current account with an overdraft with NatWest. In July 2024, Mr G contacted NatWest to try arrange manageable repayments for his current and credit card accounts after he was out of work and began to experience financial difficulties. Mr G was unhappy with the help NatWest offered, saying he was provided with a sales-oriented call focused on additional product offerings. Mr G said NatWest wouldn't agree one repayment plan for his current and credit card accounts, and the calls with NatWest took a long time. Mr G said he was referred to a debt management company, but this wouldn't result in a stop on interest and charges. Mr G complained to NatWest.

In response, NatWest confirmed it couldn't agree one repayment arrangement for all his current, loan and credit card accounts, and Mr G had to deal with its current and credit card teams separately when discussing repayment arrangements. NatWest accepted some of Mr G's calls to NatWest had dropped, prompting him to call back, and it paid him £100 compensation to apologise.

One of our Investigators reviewed Mr G's complaint until it was raised with NatWest, and explained Mr G would need to make a new complaint if he was unhappy with anything NatWest had done since then.

Having considered Mr G's complaint, the Investigator didn't uphold it. Since Mr G raised his financial difficulties with NatWest in July 2024, it had taken appropriate steps by asking for details of Mr G's income and expenditure to assess what he could afford to repay. NatWest also referred Mr G to a third party who could offer independent advice, but he hadn't wanted to start a plan because this wouldn't result in a refund of interest and charges. The Investigator explained NatWest wasn't obliged to offer one repayment plan for all Mr G's accounts with NatWest, and it wasn't NatWest's fault a repayment plan had not been agreed. The Investigator said NatWest had recognised some of Mr G's calls had dropped out, and thought the £100 compensation it had paid was fair in the circumstances.

Mr G didn't accept our Investigator's opinion, saying NatWest had not complied with its obligations by refusing his realistic and sustainable repayment offer. Mr G remained unhappy he couldn't make one repayment offer for his current and credit card accounts, and said NatWest hadn't provided meaningful forbearance. At Mr G's request, his complaint was referred for a 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.

In doing so, I have considered NatWest's obligations, including the rules set out by the regulator (the Financial Conduct Authority) in the Consumer Credit sourcebook (CONC) that Mr G has referred to. Whilst I have considered the information submitted by Mr G, I'll comment only on what I consider to be crucial to the outcome of this complaint. This isn't intended as a discourtesy to either party but reflects the informal nature of our service.

Mr G says NatWest didn't accept his repayment offers of £500 per month. Whilst Mr G says this was affordable, NatWest is not obliged to accept any repayment proposal put to it and must satisfy itself that a repayment plan is sustainable and affordable. NatWest isn't obliged to consider Mr G's repayment offer for all his borrowing as part of one plan – it is entitled to assess each product Mr G holds with them separately and I don't think this is treating Mr G unfairly. I say this because each product has its own outstanding balance, term, and interest rate. In any event, I do not have the power to change NatWest's processes so that it will accept a repayment proposal across all its lending products. So, where NatWest assessed Mr G as having disposable income, it was then entitled to ask agree with him how much should be split across the different accounts. It doesn't appear that Mr G confirmed this with NatWest by the time it issued its final response to his complaint, so I don't think NatWest acted unreasonably in not setting up repayment plans for Mr G's accounts.

Mr G is unhappy NatWest continued to apply interest and charges to his accounts once he notified it of his financial difficulties. CONC 7.3.5, as Mr G has referred to, provides guidance that an example of forbearance and due consideration would include suspending, reducing, waiving or cancelling interest or charges, allowing deferment of arrears (or accepting no or reduced repayments) and suspending interest and charges. As I have said above, NatWest was actively engaged in discussing repayment plans for his accounts, and has said he should get back in touch if this is something he wants to pursue. Its contact notes say it also discussed the option of forbearance plans deferring arrears but Mr G was concerned about his ability to repay any arrears. These are the sorts of things we expect a bank to discuss with a customer in financial difficulties. NatWest wasn't obliged to waive or refund charges. Normally, a firm would only permanently suspend interest and charges once an account is defaulted, which usually occurs after three to six months of arrears have accrued. So, I can't say NatWest made an error in continuing to apply interest and charges until its final response.

Mr G is unhappy with the time spent on the phone to NatWest and I appreciate it is time-consuming to deal with each account separately but, as I said above, NatWest is entitled to assess repayment offers for each account individually. NatWest has accepted some calls dropped out, and has paid Mr G £100 to apologise. In the circumstances, I think £100 compensation fairly recognised the inconvenience caused to Mr G here.

I realise my decision will disappoint Mr G, but I don't think NatWest was obliged to take any further action in relation to his accounts before its final response of 8 November 2024. If Mr G still requires assistance with financial difficulties, he should contact NatWest to discuss the options available to him.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 October 2025.

Victoria Blackwood

Ombudsman