

The complaint

Mr S complains National Westminster Bank Public Limited Company (“NatWest”) hasn’t treated him fairly in relation to two overdraft accounts.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it at length here. In summary, since 2017, Mr S had held three overdrafts with NatWest, each with agreed limits of £2,000. Previously Mr S complained about the interest and charges applied to the overdraft accounts and NatWest agreed to reimburse the interest it had applied since 2018.

Applying the compensation to each overdraft, brought one account into credit, with the overdraft then being removed. The other two accounts had small overdrafts outstanding after the compensation has been applied. Mr S then complained to NatWest about its decision to provide the overdrafts and said it should reimburse all interest since the overdrafts began – this complaint is being considered by our Service separately.

While the above complaint was ongoing, Mr S was unhappy that NatWest was chasing on the outstanding overdraft balances and its decision to refer his accounts to its collections team. Mr S consequently complained to NatWest, and this is the subject of this decision.

NatWest didn’t agree it had done anything wrong in passing Mr S’ accounts to its collections team, or ultimately third-party debt collection agents, as it said it hadn’t received a credit into either open overdraft for a number of months. NatWest also said it had written to Mr S on numerous occasions but didn’t receive a response. NatWest did however offer £75 to recognise any distress that may have been caused.

Unhappy, Mr S referred his complaint to the Financial Ombudsman. He said he’d never received NatWest’s cheque of £75 and didn’t consider this fair compensation. Mr S was also unhappy NatWest had passed his overdrafts to debt collection agencies while a complaint about the provision of the overdrafts was ongoing. Mr S said NatWest should write off any outstanding balance and remove any adverse information from his credit file.

One of our Investigator’s looked into what happened and thought NatWest had been reasonable in the steps it had taken, so didn’t recommend it do anything further. Mr S disagreed with our Investigator’s opinion, saying NatWest wasn’t meeting its regulatory obligations chasing recovery of the overdrafts while a complaint about the decision to provide the overdrafts was ongoing. Mr S also said he hadn’t been treated fairly as a vulnerable customer and hadn’t received key letters from NatWest.

As the matter wasn’t resolved, the complaint has been passed to me to decide.

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've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

Having done so, I've reached the same conclusions as our Investigator for broadly the same reasons. I appreciate this answer will likely come as a disappointment to Mr S, however I haven't found NatWest was unreasonable in the steps it took in relation to the outstanding overdrafts.

I've given consideration to the Mr S' concerns that NatWest has continued with recoveries action while a complaint about the provision of the overdrafts is ongoing. CONC 4.14.1R which is the relevant regulations Mr S has referred to, sets out a firm (such as NatWest) must suspend recovery of a debt, when a customer disputes the debt on a valid ground. The rules go on to set out a 'valid ground' in CONC 7.14.2G, which gives circumstances being the individual being pursued it not the true borrower, the debt does not exist, or the amount being pursued is incorrect.

Taking this into consideration, I don't find NatWest unreasonable in having contacted Mr S about his outstanding overdrafts. While I appreciate Mr S may dispute the amount NatWest is asking to be repaid, in part due to historic interest changes (which is the subject of another complaint being considered by our Service), the majority of these overdraft balances are due to spending that occurred following NatWest's compensation payments in March 2024. Be that through transfers to other accounts in Mr S' name or further spending. As Mr S has had the benefit of these funds, I think it's reasonable that NatWest asks it to be repaid or at least get in touch to discuss his accounts.

NatWest wrote to Mr S in October 2024, as he had fully utilised both overdrafts that remained open and said it hadn't received deposits in either account for over six months. It explained it had moved Mr S' overdrafts to its recoveries team and no further interest or charges would be applied. NatWest again asked that Mr S get in touch to discuss his accounts.

I appreciate Mr S says he didn't receive the above letters or further correspondence from NatWest in relation to his overdrafts. I'm sorry to hear these may not have been received, however, NatWest has shown these letters were sent and were sent to the address NatWest held, which is also the address Mr S has given our Service. So, while it's possible some post may have been lost in transit, I haven't found this was due to an error made by NatWest.

I've also taken on board Mr S' concerns that NatWest hasn't treated him fairly as a vulnerable customer. NatWest like all banks is expected to treat its customers fairly and consider providing reasonable adjustments where appropriate. However, as NatWest hasn't been able to discuss the outstanding overdrafts with Mr S, I haven't then found the steps it's taken to be unreasonable.

As I've found NatWest was reasonable in the steps it's taken, I won't be directing it to pay further compensation in relation to this complaint. I note Mr S says he never received the cheque of £75 from NatWest. If this is still the case, Mr S should contact NatWest directly to arrange for the cheque to be reissued.

My final decision

For the reasons I've explained above, I don't uphold this complaint as I don't think NatWest needs to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 January 2026.

Christopher Convery
Ombudsman