

## **The complaint**

Mr W complains that National Westminster Bank plc ('NatWest') added a default to his credit file for an overdraft debt he didn't know about. Mr W wants his credit file amended.

## **What happened**

Mr W switched his current account from NatWest to another provider. Mr W later found out NatWest had added a default to his credit file in respect of a small unauthorised overdraft balance of £149.69. Mr W complained that NatWest hadn't told him about this and arranged to pay the debt straight away. But NatWest didn't agree to remove the default.

Mr W passed his complaint to the Financial Ombudsman Service for investigation, saying the default was having a significant impact on his employment and his ability to secure a mortgage. Our investigator considered the information from both parties but didn't think NatWest had treated Mr W unfairly.

Mr W asked for an ombudsman's 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I am sorry to disappoint Mr W but I have decided not to uphold his complaint. I'll explain why, although I broadly agree with our investigator.

Mr W disputes receiving information about the overdraft and the potential for a default to be registered on his credit file. I recognise he can't prove he didn't receive correspondence and this is frustrating for him.

Where something is in dispute, our service works on the balance of probability to decide what more likely than not happened when determining if something has gone wrong.

On balance, I am persuaded NatWest made reasonable attempts to contact Mr W about his account and gave him a fair opportunity to avoid a default.

I say this because NatWest provided their records to show they'd sent post, emails and texts to Mr W about his account after he switched providers in April 2024. NatWest also show they left voicemails on Mr W's mobile phone. NatWest's contact details for Mr W match the postal address, email address and mobile number he provided to our service, so I can be satisfied they were using the right details and a range of communication channels.

NatWest's letters said Mr W needed to contact NatWest and that he had an outstanding balance of £149.69. A formal demand was made for repayment of the unauthorised overdraft in June 2024. This letter warned Mr W that his credit file would be negatively affected by non-payment. I can't explain why Mr W didn't receive these letters, but I don't think it's fair to hold NatWest responsible for items lost in the post if they were correctly addressed.

Mr W accepts he received NatWest's correspondence about bank statements, offers and general account business so I can be satisfied that some of NatWest's correspondence was getting through to him. Mr W's bank statement shows the running balance of his account in April 2024, which shows the overdrawn amount, so I'm satisfied this information was available to Mr W when he switched accounts.

The Information Commissioner's Office (ICO) sets out guiding principles for businesses reporting arrears, arrangements and defaults. This sets out that by the time an account is at least three months in arrears, and normally by the time an account is six months in arrears, it's generally expected that a default will be registered. This is to reflect that the relationship between the lender and individual has broken down.

The ICO's website explains that while there is sometimes a requirement under the Consumer Credit Act 1974 to issue a default notice, there is no data protection obligation on a lender to issue such a notice to individuals prior to marking an account as being in default on their credit file.

Taking into account the industry expectations here, I don't think it was unfair or unreasonable for NatWest to have registered the default when they did. I think they were entitled to take that step. That's because despite NatWest's reasonable efforts, contact had not been established with Mr W and his overdraft was still outstanding.

I am sorry to hear that the default is causing trouble in Mr W's personal life and employment, but I won't require NatWest to amend their reporting as this is a fair and accurate reflection of what's happened on Mr W's account.

As Mr W has paid the debt, his credit file should now show the default sum of £149.69 is satisfied. Mr W can place a notice of correction on his credit file to explain the circumstances of this entry, if he feels adding context is beneficial.

### **My final decision**

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 March 2026.

Clare Burgess-Cade  
**Ombudsman**