

The complaint

Mr A complains National Westminster Bank Public Limited Company “NatWest”, has said he’s liable for an overdraft it can’t provide a credit agreement for.

What happened

Mr A opened a current account with NatWest in February 2001. In July 2024, NatWest wrote to Mr A to say it hadn’t received any payments into his account for a while and asked that he make a payment as there was an outstanding overdraft balance.

Receiving no further credits to the account, despite chasers, NatWest closed the account in October 2024 and recorded a default on Mr A’s credit file. It then passed the recovery of the outstanding balance to a third party.

Following this Mr A raised a complaint. He was unhappy NatWest was unable to provide a copy of the credit agreement and said it was therefore incorrect in recording a default. Mr A was also unhappy NatWest had shared his details with third parties, such as debt collection agencies.

NatWest doesn’t agree it’s done anything wrong. It said it isn’t able to provide a copy of the credit agreement, due to the amount of time that had passed since the overdraft was agreed. NatWest therefore didn’t agree it had recorded incorrect information on Mr A’s credit file.

Unhappy with NatWest’s response, Mr A referred his complaint to the Financial Ombudsman. One of our Investigator’s looked into what happened and didn’t think NatWest had made an error.

He said due to the amount of time that had passed, it wasn’t unreasonable that NatWest no longer held opening documents for the overdraft facility. Our Investigator said the evidence supported Mr A had utilised the overdraft since 2010, so it was reasonable that NatWest ask this be repaid and when this didn’t happen for it to terminate the account. Our Investigator also said NatWest had passed Mr A’s information to third parties in line with the terms of the account, so didn’t think it had made an error on this point either.

Mr A disagreed with our Investigator’s opinion. 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 considered 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, while I appreciate this answer will come as a disappointment to Mr A, I haven't found NatWest acted unreasonably, so I won't be directing it to do anything further in relation to this complaint.

I appreciate Mr A's frustration that NatWest isn't able to provide a copy of the credit agreement or confirmation of when the overdraft facility was provided. Where evidence is incomplete, or limited, I reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

NatWest has explained it isn't able to provide a copy of the credit agreement, due to its data retention policies. Considering when the overdraft facility was opened – before 2010, I don't find this unreasonable.

NatWest has provided a copy of Mr A's account statements since 2010, which demonstrate he made use of an overdraft facility starting in at least February 2010. So, I'm satisfied Mr A would have been aware that the account included an overdraft. And as Mr A has made use of the overdraft, I think it's reasonable that NatWest asks that this money be repaid.

I note Mr A says NatWest has a duty under applicable legislation to provide a copy of the credit agreement. As outlined above where information is incomplete, I must consider what's most likely to have happened to reach a fair and reasonable outcome. Taking everything into consideration, I'm persuaded Mr A held an overdraft with NatWest and made use of this, so find the bank is therefore entitled to ask this is paid back.

Mr A's account became overdrawn in September 2023, and received no active credits after this date, with direct debits building the level of the overdraft being used over the next year. I think NatWest was therefore reasonable when it wrote to Mr A in July 2024, to ask that he pay funds into the account, or reduce the outstanding overdraft.

I can't see that NatWest received any contact from Mr A in relation to the account, despite it contacting him again in August and September 2024, to ask that the funds be repaid and explaining the consequences of what would happen if he didn't. As the overdraft had been outstanding for 12 months, without Mr A making any credits, I don't then find NatWest was unreasonable in its decision to terminate the account and record adverse information on Mr A's credit file.

Following this, I appreciate Mr A is unhappy NatWest has shared his details with third parties, such as debt collection agencies. I haven't however found NatWest made an error on this point as the terms of Mr A's account sets out that this is something the bank may do, with the applicable term from October 2024, being the following:

*14.7 We will not share your information with anyone outside NatWest except:
g) with credit reference agencies and with third parties in relation to debt collection and related activities;*

In conclusion, while I realise this answer will come as a disappointment to Mr A, I haven't found NatWest did something wrong. While NatWest hasn't been able to provide a copy of the credit agreement, I find there's sufficient evidence that Mr A has had use of the overdraft. As it was outstanding for 12 months, I think NatWest was reasonable in closing the account and passing the outstanding balance to a third party for recovery.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 March 2026.

Christopher Convery
Ombudsman