

The complaint

H is a company. It complains that National Westminster Bank Plc wrongly defaulted a loan and did not provide it with information about that loan. H's complaint has been brought on its behalf by its director, whom I'll refer to "V".

What happened

In May 2020 H took out a "bounce back" loan as part of a government scheme to assist businesses which had been impacted by the Covid-19 pandemic. Monthly payments were to begin 12 months after the date of the loan agreement.

Initially, payments were made as contemplated by the loan agreement. In September 2023, in order to assist H, the bank agreed to extend the term of the loan. As a result, the monthly payments which H had to make were roughly halved. After that, H made some monthly payments, but some were missed; H also made some overpayments.

In August 2024, NatWest agreed a repayment holiday, backdated by one month to July 2024. Under that arrangement, no payments were due until 12 February 2025, when H would need to pay £37.60. That was slightly more than the previous monthly payments, to take account of those which had been missed.

The February and March 2025 payments were not made on time. However, V arranged for a payment of £112.80 on 8 April 2025. That represented three monthly payments (that is, the payments for February, March and April 2025). V thought that this would bring the payments up to date, so that the loan agreement could continue.

The next payment was due on 12 May 2025. However, NatWest wrote to H on 9 May 2025 saying that the loan was in default and demanding repayment in full of the outstanding balance.

V complained on behalf of H, saying that there were no arrears outstanding when the demand for full payment had been made and that it had been impossible to contact the bank to discuss matters. The complaint was referred to this service, where one of our investigators considered what had happened. She did not recommend that the complaint be upheld.

V did not accept the investigator's conclusions and asked that an ombudsman review the case.

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, however, I have reached the same overall conclusion as the investigator did, and for similar reasons.

NatWest agreed to extend the term of the loan and later to allow a payment holiday. But from February 2025 H was again bound to make monthly payments – at that point of £37.60. No payments were made in February or March 2025. Under clause 8.1 of the loan agreement, an Event of Default occurred if any amount payable under the agreement was not paid within a month its due date. The February payment was due on 12 February but was not paid on or before 12 March.

Under clause 7.1, if an Event of Default occurred, the bank could demand immediate repayment of the loan. That is what happened in this case.

Once demand had been made, the bank stopped providing regular account statements and H's online access was removed.

V says that she was told in May 2025 that the account was up to date. That was not the case, and it appears that there may have been a delay in updating the information available to the bank's customer service team. Whilst I accept it would have been frustrating for V to receive incorrect information, it did not change the fact that the bank had by that point made a valid demand for repayment of the loan.

I also note what V has said about the difficulties she had in contacting NatWest, but I am not persuaded that any such difficulties were the reason for the default.

My final decision

For these reasons, my final decision is that I do not uphold H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 15 May 2026.

Mike Ingram
Ombudsman