

The complaint

Miss B complains on behalf of her limited company, which I will call T. Briefly, she considers that NATIONAL WESTMINSTER BANK PLC did not give T sufficient support during a period of financial difficulty.

I give more details of Miss B's concerns below.

What happened

In October 2019, T refinanced two existing loans with a new £50,000 loan from NatWest.

In July 2020, T successfully applied for a £50,000 Bounce Back Loan (BBL) from NatWest.

T later experienced financial difficulties, and was not able to make contractually agreed repayments on time. NatWest told us that T's accounts were referred to its Specialised Business Management Team (SBM team) in October 2023, but that it was not able to obtain the information it needed to fully assess this matter until July 2024. I understand that Miss B disputes the bank's version of events.

Miss B has made several complaints to NatWest on T's behalf:

- Miss B first complained in November 2023, and said:
 - A Business Manager told her that he would call her back, then failed to do so.
 - NatWest was not prepared to offer a payment holiday on T's non-BBL loan.

NatWest paid T £125 to apologise for its service failures, but it did not uphold the complaint about the payment holidays because that was not an option on the type of loan T had.

- Miss B complained again in February 2024. That complaint was about Miss B's allegations that:
 - NatWest did not assist her with her intention to top up T's business loan, resulting in her having to rely on her credit card.
 - The interest rate payable on T's business loan is high, and she did not get the assistance she wanted from the bank.
- Miss B complained again in March 2024, and alleged:
 - NatWest failed to respond to her previous complaints.
 - An agent was rude when seeking income and expenditure information.
 - She was not referred to the bank's Specialised Support Team (SST).
 - It is too difficult to speak with the bank's Individual Portfolio Manager (IPM) team.

NatWest paid Miss B £200 to apologise for the poor customer service it had given, but it did not uphold the rest of the complaint.

- Finally, Miss B complained in August 2024. NatWest's response said:
 - It was satisfied that it had responded appropriately to Miss B's previous complaints.
 - It does not offer payment holidays on bounce back loans, but it does offer Pay as You Grow (PAYG) options.

Miss B referred this matter to us on 12 November 2024. Briefly, she said:

- Her father passed away in April 2023. She had to take time away from her business to care for her father and then arrange his funeral. Later, she was admitted to hospital and underwent three surgeries.
- In light of her personal circumstances, she contacted NatWest many times to ask for help. She wanted a payment holiday, a payment plan, or anything NatWest could offer to help in the short term. The bank did not help her, and simply passed her around various departments.
- Her loans were then sent to a recovery team without any warning. She was told to complete forms and a business forecast, but NatWest did not accept the forecast she produced.
- She did take advantage of the PAYG options for the BBL, but was not offered any options or help with T's business loan. She also said she was not offered the "Family First" scheme that NatWest offers on its website, nor was she given any information about the referral of T's loan to the debt management team. (I believe Miss B was referring to the "Family First" offering described at <https://www.natwest.com/business/loans-and-finance/family-first-loans-and-overdrafts.html>).
- T's account was automatically sent to the bank's debt collection team despite her attempts to make payments.

One of our investigators looked at this complaint, but she did not uphold it. Overall, she thought the compensation NatWest had already paid was fair in respect of the poor customer service it had provided.

Neither party accepted our investigator's conclusions in full. NatWest questioned whether T's complaint had been referred to us in time, and Miss B said she thought NatWest should be required to pay her additional compensation.

My provisional decision

I issued a provisional decision on this complaint, and explained why I thought the whole of T's complaint had been referred to us in time. I went on to explain that I could not consider a complaint about Miss B's personal distress, on the grounds that NatWest's customer in this case is T rather than Miss B personally. I also said that I could not consider a complaint about the way NatWest handled previous complaints, because complaint handling is not an activity we cover.

I went on to discuss T's complaint about the way NatWest had responded to T's financial difficulties. Overall, I concluded that NatWest had already done enough to apologise for its customer service failings. In more detail, I said:

"Miss B has made several specific allegations about NatWest's behaviour since April 2023, but broadly speaking it is clear that she is unhappy about the way NatWest responded to T's financial difficulties.

I'd like to reassure Miss B that I have read and considered everything that she has said, but I haven't responded in a similar level of detail. I intend no discourtesy by that; it simply reflects the informal nature of the Financial Ombudsman Service. Looking at the issues holistically, broadly I think they fall into two areas – the service NatWest provided to T, and the substantive help it gave (or failed to give) to T.

Taking the customer services issues first, NatWest has accepted that at times its customer service was poor. It was difficult for Miss B to contact NatWest's staff over the phone, and she was given the wrong information on at least one occasion (when she was told that NatWest did not need income and expenditure details for her as an individual in order to assess the support it could give to T, whereas in fact the bank did need that information). NatWest also failed to refer Miss B to its Specialised Support Team as early as it should have done.

We publish guidance on our approach to awards for non-financial loss, which is available at <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience> . I think this is a case in which NatWest has made repeated small errors, which required a reasonable effort to sort out. Our guidance suggests that an award of £300 might be appropriate in such a case.

I note that NatWest has already paid a total of £325 to apologise for the inconvenience its poor customer service caused to T (in two payments, one of £125 and one of £200). Looking at what happened, taking into account our guidance, and applying my own judgement, I think that is fair. I don't intend to order NatWest to pay any additional compensation for inconvenience.

Moving on to the substantive issues, it's clear that Miss B wanted more assistance than NatWest was willing to give. But that doesn't automatically mean that the bank has done anything wrong.

I have no doubt that T was experiencing financial difficulties from April 2023 onwards. I say that both because Miss B explicitly told NatWest of those difficulties, and because arrears built up on T's loans. I would expect any bank to treat a borrower in financial difficulty fairly, and overall I think that is what NatWest has done here. In particular:

- I don't criticise NatWest's decision to refer T to its Specialised Business Management Team in October 2023. I acknowledge that was distressing for Miss B, but my view is that the decision as to which department should manage which customers is a commercial matter for the bank, and not one in which I should get involved. In any event, given the arrears on T's loans I think it was reasonable for the bank to want to involve a team with specialist knowledge.
- I can see that NatWest wanted information about both T and Miss B's income and expenditure before it made a decision as to whether to agree a payment

holiday on T's non-BBL loan. Again, I have no concerns about that; I consider it to be normal banking practice aimed at reducing the risk of any new arrangements simply making matters worse. I think it was reasonable for NatWest to want information about the current financial position before agreeing any changes.

- I would also expect NatWest to lend responsibly, which means that it should not agree a top up loan if it is not persuaded that repayments would be affordable. NatWest concluded that additional lending would not be affordable in this case, and I see no reason to criticise that decision.
- NatWest's call notes show that Miss B brought up its Family First offer in February 2024, but the bank was not prepared to discuss any proposals in detail without more information about the current financial position. Again, I think that was reasonable.
- Miss B has explained that NatWest considered some of her proposals unaffordable, but did not provide her with guidance about the sort of information it would need in order to reach agreement. I appreciate Miss B will find my conclusions very disappointing, but again I don't think it would be fair for me to criticise NatWest. Its notes say that it declined her proposals due to affordability, on the grounds that T's projected income was lower than its projected expenses.
- Miss B told us that she had to investigate PAYG options for herself. I can see that NatWest did tell her about PAYG options in some of its letters. PAYG is also a well known and well publicised part of the BBL scheme, with substantial information available online. It's arguable that the bank could have shared that information earlier, but I haven't seen anything that persuades me that earlier information would have made a material difference here.

It's clear that both Miss B and T have been going through an extremely difficult time. But overall, I think NatWest has treated T fairly and behaved in the way that I would expect. I encourage Miss B and NatWest to work together to reach a mutually acceptable arrangement for any outstanding arrears."

NatWest accepted all of my provisional findings in full (including my findings about whether T's complaints were referred to us too late). Miss B did not. Briefly, she said she thought NatWest had caused harm through its false advertising of its Family First scheme, the bank's refusal top up loans, payment holidays or other support caused T to rely on high interest credit cards, and NatWest did not treat her fairly as a vulnerable customer (unlike another bank, which did support her).

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 am sorry to further disappoint Miss B, but I have reached the same conclusions as I did in my provisional decision, for the same reasons. There is very little that I can add to what I said in my provisional decision.

I think it is obvious that NatWest could have offered better customer service to T, but as I said in my provisional decision I think the amount it has already paid represents fair compensation for that failing.

I know that Miss B strongly disagrees with me, but I do not criticise NatWest for the level of support that it offered to T. NatWest was not willing to lend to T, under its Family First banner or at all, unless it was persuaded that the additional lending was affordable. I consider that NatWest's stance was reasonable, and indeed I would not expect any bank to lend money to a business unless it was satisfied the lending was affordable. I accept that Miss B was vulnerable, but I still see nothing unfair in the decisions that NatWest made.

Overall, I am satisfied that NatWest has treated T fairly. I do think that its customer service could have been better, but I consider that the bank acted reasonably when considering Miss B's requests for support.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 2 January 2026.

Laura Colman
Ombudsman