

The complaint

Mrs H complains that National Westminster Bank PLC (NW) failed to make her aware that she had missed a loan payment and applied a default to her account.

What happened

In November 2022 Mrs H took out a loan with NW for £10,000. The loan account ends with 894. Mrs H already held a loan account with NW which ended with 865.

In July 2024 Mrs H missed a loan payment on account ending 894.

In January 2025 Mrs H missed another loan payment on account ending 894. She also missed a payment on account ending 865.

Account ending 865 was brought up to date by Mrs H but account ending 894 wasn't. NW issued a Notice of Default on 1 February 2025 and a Formal Demand on 7 March 2025 for account ending 894 and passed the account to a debt recovery company.

Mrs H complained to NW. She said that NW should've made reasonable adjustments to contact her before they defaulted the account. Mrs H asked NW to remove the default and amend her credit file.

NW didn't uphold the complaint. It said that following the missed payment in August 2024 it had sent letters and texts and had made telephone calls to Mrs H but had received no response. NW said that the account had been correctly defaulted. NW acknowledged that Mrs H was given incorrect information when she called on 31 March 2025 because the agent only advised her about the missing payments in January 2025 and omitted to mention the missing payment from August 2024.

Mrs H remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said she was satisfied that NW had tried to contact Mrs H before it applied the default and NW had followed its procedures correctly and hadn't acted unreasonably when it issued a Notice of Default.

Mrs H didn't agree. She said she'd never received any letters from NW, and they had continued to take her direct debit in the months that followed the missed payment in August 2024.

Because Mrs H didn't agree I've been asked to review the complaint.

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 know it will disappoint Mrs H, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the letters that NW sent to Mrs H following the missed payment in August 2024. I can see that NW sent a letter on 23 August 2024, 4 September 2024, 16 September 2024, 29 September 2024 and 17 October 2024. The letters are correctly addressed to Mrs H at her registered address.

Mrs H has said that she didn't receive any of these letters. NW has confirmed that none of the letters have been returned to them in the post. I'm satisfied that the letters are correctly addressed so I'm not persuaded that NW have made an error or that NW can be held responsible for Mrs H not receiving them.

If Mrs H has changed address, it's her responsibility to keep NW updated with her current address.

In addition to the letters, I can see that NW sent text messages to Mrs H about the missed payment and made several attempts to call her. I can't see that Mrs H responded to any of the letters, texts or calls.

A further payment was missed in January 2025. NW sent a letter to Mrs H on 28 January 2025 and a Notice of Default on 1 February 2025. I can't see that Mrs H responded to the letters or the notice.

Based on what I've seen, I'm satisfied that NW took reasonable steps to bring the missed payment to Mrs H's attention. I'm satisfied that NW sent letters, sent texts and attempted to contact Mrs H by telephone. Mrs H didn't respond to any of the attempts to contact her and in the circumstances, I don't think it was unreasonable for NW to default the account.

I can see that Mrs H contacted NW on 31 March 2025 and was incorrectly advised that she'd only missed one payment in January 2025. NW has apologised for this error and has offered Mrs H compensation of £50, which I think is fair.

I understand that Mrs H is disappointed that the default has been reported on her credit file. NW – like all lenders – is under an obligation to report accurate information about the state of the account to the credit reference agencies. In this case, I'm satisfied that NW has correctly reported the default so I can't ask them to remove it.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 23 December 2025.

Emma Davy
Ombudsman