

## The complaint

Miss L's complaint is about a mortgage she has with NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest). She is unhappy about the arrears balance on the account as she believes that she entered into an arrangement with NatWest to make a higher monthly payment to gradually clear the arrears.

Miss L also has concerns about how NatWest dealt with her bank account with it and access to online/mobile banking during the same period. This complaint is being dealt with separately and I only mention it for context.

## What happened

Miss L took out her mortgage in 2019. She borrowed just over £26,000 over a term of six years. Unfortunately, due to unforeseen circumstances in the autumn of 2020, she was unable to make payments to the mortgage. At that time NatWest used its 'right of set off', which meant it used funds from her bank account to make the payments. This maintained the mortgage until the summer of 2021. From July 2021 until February 2022 no payments were received to the mortgage. At this point the arrears were just over £3,000.

Miss L then started making payments of £450 in most months. This was slightly more than the contractual monthly payment (CMP) due when the payments resumed and so the amount she owed gradually reduced until October 2024. This was not a formal payment arrangement as for that to occur NatWest needed to have assessed Miss L's income and expenditure to ensure she could afford the payment and that it was the best option for her. Miss L was not able to complete this process due to being abroad at the time with unreliable communications.

In October 2024 the fixed interest rate product on Miss L's mortgage ended and the mortgage moved to standard variable rate, which meant the monthly payments increased to slightly over £600 per month. Miss L didn't change her monthly payments and so she was now paying less than the CMP. The arrears started to increase again, and additional interest continued to accrue, so NatWest decided to take legal action.

In December 2024 Miss L emailed NatWest's firm of solicitors, which was dealing with the mortgage account and legal action at that time, and offered to make a payment of £2,000 to clear the arrears. The solicitors responded a week later confirming that she could make the payment she'd suggested, but that it/NatWest could not take the money on Miss L's behalf – she needed to initiate the payment being made.

A court hearing date was set for 13 January 2025. However, at the end of December 2024 NatWest decided to cancel the hearing and the legal action. This was due to the mortgage balance having reduced to a relatively low level. The costs of the legal action to that point were added to the mortgage, as is allowed under the mortgage terms and conditions.

Miss L raised several complaints about the situation with her mortgage and bank accounts in 2021, 2022 and 2024. NatWest responded to each complaint with a final response letter. These letters confirmed that if Miss L wanted this Service to consider the complaints, she

needed to refer them within six months of the date of the letter. I have detailed below the final response letters relating to the mortgage, including setting out the complaint issues considered.

#### 7 August 2021

That NatWest had used its Right to Set Off and used funds from Miss L's bank account to cover missed mortgage payments, which had left her in financial difficulties.

#### 15 March 2023

NatWest saying Miss L was not making additional payments towards the arrears. If that was the case, that NatWest had not contacted her about the situation and NatWest's litigation team had not called her as arranged.

Miss L contacted this Service on 25 March 2023 to ask us to consider her complaint. We asked Miss L for some more information and for her to complete a complaint form, so we could consider her complaint further. Miss L didn't respond.

#### 23 February 2024

NatWest had sent a 'threatening' letter in December 2023 despite Miss L having offered to make payments towards the arrears.

Miss L contacted us again on 18 December 2024. She explained that she had not responded to our request for more information in 2023 because, effectively, she was still interacting with NatWest trying to get the situation sorted out. She also explained that due to where she is currently living, contacting NatWest by telephone was difficult and the calls often got cut off.

In January 2025 Miss L raised concerns with NatWest about the arrears balance again. She again said that given she was making a payment toward the arrears balance, she didn't understand why that balance was increasing. She also commented about the lack of response that had been made to offers of payment she'd made.

One of our Investigators looked into Miss L's complaint. He acknowledged that Miss L had initially contacted us about her concerns in March 2023, but as she had not provided us with the information we asked for, which would have allowed us to consider the complaint, it was not now appropriate for us to look into her concerns about the events that occurred before 15 March 2023. Neither party disagreed with the Investigator's conclusions, so he went on to consider NatWest's handling of Miss L's mortgage account from March 2023. He didn't recommend that the complaint be upheld as he was satisfied that the reason for the arrears increasing was because of the change to the interest rate and Miss L's payments being lower than the amount needed. He wasn't persuaded that NatWest had done anything wrong.

Miss L didn't accept the investigator's conclusions. She said that as she was overseas it was difficult to deal with things and she never refused or ignored NatWest – she tried to make payments and offered it other payments, but nothing got sorted out. She asked for the complaint to be referred to an Ombudsman.

#### **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.

In this case, while Miss L contacted us to ask us to consider her complaint in 2023, she didn't provide us with the information and consents that we needed to be able to do so. It was more than eighteen months later that Miss L contacted us again. Miss L has said that she didn't respond to our request for information because she was continuing to try to resolve the issue with NatWest. However, the Financial Ombudsman Service was set up to be a quick and informal dispute resolution service. If we were routinely to allow complainants many months or years to put their cases forward it would be contrary to this remit; it would also be unfair to the other party, particularly where, as here, the respondent may have considered the complaint resolved. Long delay may also affect the availability and reliability of evidence and as a result impede our ability to investigate fairly.

In the circumstances of this complaint, I find the time it took Ms F to provide the information we asked for in 2023 in order to proceed with our consideration of her complaint was unreasonable. So, I will not be considering further the complaint made and responded to in NatWest's final response letter of March 2023.

I will, however, consider the concerns Miss L has raised about her interactions with NatWest from March 2023 onwards, including the handling of the offers of payment she made.

Before the period I can consider, Miss L started making payments to the mortgage again, which were for more than the CMP. However, when the fixed interest rate product attached to the mortgage ended in 2024, the CMP increased considerably. This meant that the payments Miss L was making were less than the CMP and the difference between the payments made and those due were added to the arrears balance of the mortgage. In addition, the shortfall each month would have meant that additional interest was added to the amount Miss L owed. I can't find that NatWest administered the mortgage incorrectly in this regard.

As for the offer Miss L made in 2024 for a payment to clear the arrears to be made, while Miss L has said that she received no response to this offer, it appears that NatWest's solicitors did provide a response. While it may not have been the response Miss L wanted, a response was provided.

I acknowledge that Miss L residing overseas where communications are challenging has had a significant impact on the situation with her mortgage, but I can't hold NatWest responsible for those issues. I know that Miss L will be disappointed by my conclusions, but I am not persuaded that NatWest administered her mortgage incorrectly or treated her unfairly.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss L to accept or reject my decision before 6 February 2026.

Derry Baxter

**Ombudsman**