

The complaint

X complains that National Westminster Bank Plc ('NatWest') defaulted her account when she sought a payment plan. X complains that NatWest's support wasn't consistent.

X wants the default on her credit file to be removed.

What happened

X complained about NatWest applying a default on her credit card account after she'd spent months engaging with them. She complained that NatWest's credit card department hadn't followed a parallel approach to their loan department when offering her support.

X was unhappy with how NatWest handled her complaint and that NatWest didn't uphold it. X referred her complaint to the Financial Ombudsman Service for independent review.

Our investigator considered the available evidence and thought that NatWest had offered appropriate forbearance to X. Our investigator acknowledged the default was upsetting for X but didn't agree NatWest had acted unfairly in the circumstances.

X disagreed and wanted a deeper investigation. Unfortunately, there was a limit on the evidence our investigator could obtain. X sought an ombudsman's decision and gave detailed reasons why she thought her complaint should be upheld.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I am sorry to disappoint X, but I have decided not to uphold her complaint. I'll explain why, though I broadly agree with our investigator.

I acknowledge X's frustrations, but we don't consider complaints about complaints handling so I am unable to address X's concerns about the timing and quality of NatWest's response. We consider complaints about financial products and services, so that's what I've focused on.

X complains NatWest's departments should have followed a parallel approach to offering support. I wouldn't expect NatWest to act the same way for different lending products, as these have different considerations. I agree with our investigator's accurate and detailed explanation of why this is. In this decision, I've considered what NatWest did to support X with her credit card account.

On 1 May 2024 NatWest said X could pay £1 over three months under a short-term plan, extendable up to six months. X wanted to avoid a default, and hoped she'd only need a few months' forbearance due to an upcoming house sale. So, NatWest sent X a text message with a link to an online income and expenditure to complete. There were some delays completing the form, but X's payment plan was set up on 19 June 2024. At that time, she was two months in arrears.

NatWest sent X a letter explaining what to expect during and after the plan. X was informed that an arrangement would be reported on her credit file, and there was a risk her account could default in future if she could not clear her arrears or agree a satisfactory plan after 8 September 2024.

On 9 September 2024 NatWest wrote to X to say the plan had ended. The letter said, *"If we don't hear from you within 14 days your account will be subject of further recovery action."* The letter warned X that her account could be defaulted.

On 23 September 2024 X rang NatWest to ask for the plan to be extended, but this was declined. I think that's reasonable as NatWest had previously advised X that they'd only allow short term plans for up to six months, and X was nearly six months behind with her payments at the time. NatWest agreed to place a hold on X's account for 30 days.

The same day, NatWest sent X a default notice requiring payment of her arrears by 14 October 2024. X rang to query this as her account was on hold. I think it's reasonable that a default notice was sent, as holds typically stop calls but not regulatory letters. In any event, NatWest agreed to hold action on X's account, and I can see a further default notice was issued on 7 October 2024 which required payment after the hold ended.

On 24 October 2024 X's account was no longer on hold and X discussed a payment plan with NatWest. NatWest sent X an email with a link to a further income and expenditure form which she was required to return.

I'm satisfied that NatWest hold the correct email address for X. I say this because NatWest had checked X's email address, and it's recorded correctly on their system. It matches the email address X gave to the Financial Ombudsman Service.

I agree that if X didn't receive the email, the onus was on her to chase this with NatWest. Previously, the link had been sent immediately so I think X could reasonably have expected to receive this within 24 hours. And if she didn't receive it, I don't think it's reasonable to wait longer than two days to chase this up, given she was aware the link was only valid for 48 hours. X had also received two default notices, so I'd reasonably expect her to act quickly to avoid a default.

I don't think it's reasonable that X waited until 12 November 2024 to contact NatWest about the missing email. As X hadn't acted for 18 days, I don't think it's unfair that NatWest defaulted her account and sent a termination letter on 1 November 2024. I say this because NatWest had sent X a default notice due to the level of the arrears, and a satisfactory arrangement had not been set up.

Further, the Information Commissioner's Office ('ICO') sets out guiding principles for businesses reporting arrears, arrangements and defaults. This sets out that by the time an account is at least three months in arrears, and normally by the time an account is six months in arrears, it's generally expected that a default will be registered.

Taking into account the industry expectations here, and the arrears on X's account, I can't say that it was unreasonable for NatWest to have registered the default when they did.

X says NatWest said she could ignore their letters. I haven't been able to listen to all the calls between the parties to verify this. But even if X was told this, I agree the onus was on her to pay her arrears or ensure a plan was set up to avoid a default. And given X knew the default was imminent, I think it would have been reasonable for her to contact NatWest sooner about not receiving her income and expenditure link.

I recognise that handling financial difficulties and engaging with creditors is hard, and X found this harder due to longstanding anxiety. I'm sorry to hear she was emotionally paralysed and couldn't engage with NatWest in a way one might reasonably expect. I am mindful X was aware of independent organisations who could help her, so I think she could have sought assistance when she was struggling. I wouldn't have expected NatWest to do more at the time, given the action they'd already taken.

I do not say any of this to criticise X or make things harder for her. I want to be clear that the default isn't to punish X for contacting NatWest too late. I recognise the default happened because, for reasons outside of X's control, she was unable to meet her contractual payments.

It may help X to know that I think a default was, unfortunately, a realistic outcome in her circumstances. Even if X had returned her income and expenditure assessment promptly, I am not persuaded this would have avoided her account defaulting. That's because X's arrears at the time, which were likely to increase under a long-term repayment plan, were at the level I'd expect a default to be registered.

And NatWest explained to X on 1 May 2024 that their long-term plan would lead to a default, so I think this would only have been avoided if X had started to make large repayments. I don't think this was possible for X, as I've no reason to doubt she'd have paid if she could.

I acknowledge X feels this is an unfair situation and I hope things improve for her soon. I hope I can offer X some reassurance that, having impartially reviewed the available evidence, I'm satisfied she's been treated fairly by NatWest in these circumstances. I'm sorry not to be giving X the news she hoped for, but I don't uphold her complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 5 January 2026.

Clare Burgess-Cade
Ombudsman