

## The complaint

Miss A complains about problems and delays when she applied for additional mortgage borrowing with National Westminster Bank PLC.

## What happened

Miss A took out a mortgage with NatWest in 2015. In early 2015 she applied for additional borrowing to pay for work on her property. Miss A says NatWest gave her incorrect information and caused delays. She says it asked for payslips which she'd already provided. It asked her to set up a direct debit when she prefers to pay manually and it had told her there was no problem with manual payments.

Miss A says she was set up as a manual payer by NatWest's financial conduct support team in November 2016, through no fault of her own. She says this explains why she felt she was being bullied to set up a direct debit and NatWest should have looked into this.

Miss A also complains about the way her complaint was dealt with. She says the complaint handler laughed at her and was unprofessional, and NatWest paid compensation into her bank account without her consent, which she felt was violating.

Miss A says due to delays with the additional borrowing, she had to use her savings and borrow money, as work on her property had already begun.

NatWest said the mortgage terms and conditions say a direct debit must be in place. It said Miss A was given inconsistent information on calls about whether she needed to set up a direct debit for the funds to be released. NatWest said the complaint handler wasn't unprofessional but could have handed the calls with Miss A better. NatWest paid £300 compensation for the upset caused by its poor service. It apologised for making the payment without asking Miss A which account she'd like it paid into.

Our investigator said it was fair for NatWest to ask for payslips in an acceptable format – for instance with her name on. He said it's a term of the mortgage that a direct debit is in place, and NatWest's policy is to release funds to the same account as the direct debit.

Miss A didn't agree. She said the investigator hadn't understood her 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.

Miss A said our investigator hadn't understood her complaint. I can assure Miss A that I've read all of the comments and evidence provided by both parties. This includes the complaint form she completed and submitted to us, in which she set out her complaint and the events that led to it. I've listened to a recording of the call when our investigator contacted Miss A, so she could discuss and describe her complaint. And I've read her response to our investigator's view. Miss A asked to speak to me, to discuss her complaint. That's not

something we usually do and I don't think it's necessary here. I have enough evidence to reach a fair decision.

#### *The request for further payslips*

Miss A submitted an application for further borrowing online. She visited her NatWest branch to provide copies of documents to support her application for further borrowing. The next part of the process was for NatWest's underwriters to review the application and documents.

NatWest is entitled to ask for information and documents to help it make a lending decision, and I think it was fair to do so here. The payslips provided by Miss A didn't include her name or the name of her employer. That meant NatWest didn't have evidence of Miss A's income.

NatWest asked Miss A to provide evidence from her employer of her annual pay and copies of payslips that identified her and her employer. Miss A had to ask her employer for the documents. But I think it's fair and reasonable for NatWest to ask for this information. It did so promptly and without any delays.

NatWest issued an offer to Miss A on 3 March 2025, about a week after she first submitted the application. I don't think NatWest caused any delays in reviewing Miss A's application and issuing a mortgage offer.

Miss A says she thought the person she provided documents to at the branch was a mortgage adviser and later found out that wasn't the case – she says NatWest's complaint handler described the person as "nothing". Miss A says branch staff should have known the payslips she provided weren't adequate. She says the visit to the branch was a waste of time.

Mortgage lenders are required to carry out affordability checks before offering to lend. They have to ask applicants for evidence of their income and outgoings. It's inevitable this will involve some inconvenience. NatWest had offered Miss A the option of booking an appointment with a mortgage adviser, who could have answered any questions she had about the documents she needed to provide. While branch staff helped Miss A submit copies of documents (including the first set of payslips) to support her application, it was for the underwriters to review the documents. I don't think NatWest is responsible for Miss A being inconvenienced by her visit to the branch.

For completeness, I don't think the outcome of this part of Miss A's complaint would be different even if I found the branch staff should have told Miss A that her payslips weren't acceptable. She'd have had to visit her branch in order for it to tell her this. She'd still have had to ask her employer for further evidence. And as NatWest told her there was a problem with the payslips promptly, this didn't cause delays.

#### *The requirement for an active direct debit*

There was a delay in the funds being released. NatWest was waiting for Miss A to set up a direct debit. Its policy is to release the funds to the same account as the active direct debit. Based on NatWest's records, Miss A set up a direct debit on 1 April 2025 and funds were released on 3 April 2025.

Miss A says she spoke to multiple agents at NatWest who said paying the mortgage manually wasn't a problem and no-one said she had to set up a direct debit. She says NatWest tried to bully her into setting up a direct debit so that it could apply interest and late payment fees and other charges.

I can't fairly agree that NatWest's requirement for a direct debit to be set up before it releases funds is bullying, or that it does this so that it can apply additional interest and charges, cause financial difficulties and put Miss A's home at risk. This is a term of the mortgage and NatWest's usual process. However, I think NatWest should have given Miss A clear information from the outset that it wouldn't release the funds until she set up a direct debit, and I don't think it did this.

NatWest sent emails to Miss A on 3 March 2025 and 6 March 2025 saying it would release the funds to the direct debit account, but didn't have an active account on its systems. While this might imply that NatWest expected Miss A to put a direct debit in place, I don't think it made it sufficiently clear that Miss A needed to do so in order for the funds to be released.

On 7 March 2025 Miss A sent an email with account details for her account with NatWest, and also called to say that was where she'd like the funds to be sent. NatWest asked for her consent to set up a direct debit from this account, but I don't think it made it clear that the funds would not be released until a direct debit was in place.

NatWest did give Miss A clear information by email on 12 March 2025. It said its process requires a direct debit to be in place before it will release funds. It asked Miss A to set up the direct debit so that funds could be released.

Miss A called NatWest on 12 March 2025, after receiving the email. She gave details for the account that she wanted the funds to be sent to. She also asked whether it was OK to make manual payments. NatWest said it would pass on the account details. It said there's no problem with manual payments so long as payments are received in time. What NatWest didn't do on the call, was tell Miss A that it wouldn't release the additional borrowing funds unless a direct debit was in place. However, NatWest had said this in the email earlier that day. And it also said this in a further email on 17 March 2025, which said it required a direct debit in place before it would release the funds.

Miss A raised a complaint on 17 March 2025, saying she paid manually and wouldn't be bullied into setting up a direct debit. NatWest says it tried to call Miss A on 18 March 2025, to say that a direct debit was required, but there was no reply and it was unable to leave a message.

Miss A says she was told there wasn't a problem with manual payments. That's not the same as being told she didn't need an active direct debit in place before the additional funds were released. While I appreciate this might have caused confusion, I think NatWest gave Miss A clear information about the need for an active direct debit by mid-March 2025.

I think NatWest gave Miss A clear information by email on 12 March and 17 March 2025 that she needed to set up a direct debit before it would release the funds. While Miss A contacted NatWest after both of these emails to say she didn't want to set up a direct debit, that doesn't change the fact that NatWest told her this was required for the funds to be released.

By mid-March 2025 NatWest had told Miss A it wouldn't release funds until a direct debit was set up. Miss A could have set up a direct debit at this point, if she needed the funds urgently. While NatWest ought to have been clear about the need for Miss A to set up a direct debit at the outset, I don't think this is the only reason that the funds were not released until early April 2025.

Miss A told us she was set up as a manual payer by NatWest's financial conduct support team on 1 November 2016, through no fault of her own. She says it's no wonder she felt she was being bullied to set up a direct debit and NatWest should have looked into this.

We asked NatWest about Miss A's comments about how she became a manual payer, and whether its specialist support team had been involved in this. NatWest said Miss A contacted it in November 2015 to ask it to collect her direct debit every four weeks. It told her it couldn't do this and she could only make a payment on a four-weekly basis if she became a manual payer. NatWest said Miss A cancelled her direct debit and it received notification of this in late December 2015. NatWest's account records support this.

The terms and conditions of Miss A's mortgage require her to provide a direct debit instruction, for NatWest to collect her monthly payments. Miss A agreed to this and set up a direct debit when she took out the mortgage. While Miss A told us she was set up as a manual payer by NatWest through no fault of her own this isn't consistent with the available evidence. The available evidence suggests that Miss A chose to cancel the direct debit and make payments manually. I can't fairly find in the circumstances that NatWest should have agreed to release funds without an active direct debit, outside its usual process.

#### *How Miss A's complaint was dealt with*

Complaint handling isn't a regulated activity, which means we can't always look into how a bank dealt with a complaint. We can do so in some circumstances – for instance if the way the complaint was handled prevented the underlying problem being sorted out. That wasn't the case here. NatWest had given Miss A correct information about the need to set up a direct debit before she raised her complaint.

#### *Is the compensation paid by NatWest fair and reasonable in the circumstances?*

NatWest paid £300 compensation for the upset caused by its poor service. Miss A says she didn't agree to this and it's a violation of her account information. The payment didn't stop Miss A bringing her complaint to us. It didn't mean we couldn't order NatWest to pay further compensation or take other steps if we found that fair and reasonable. It didn't stop Miss A transferring the money to a different account or using the £300 in whatever way she wished.

Miss A says the delay in the funds being released caused her financial problems. She says she had to use savings and borrow money to pay for work on her property, which she says started on 10 March 2025. We asked Miss A for evidence to support this – such as an invoice from the builders requesting payment and evidence of this being paid. As Miss A didn't provide this, I can't fairly find that delays by NatWest in releasing funds caused her financial loss or financial problems.

The overall time between Miss A submitting an application to NatWest and receiving the funds was about five weeks. While NatWest should have been clearer at the outset about the need for an active direct debit, I don't think it was responsible for all of the delays in the funds being released. The fact that Miss A didn't set up a direct debit immediately after she was told this was necessary for the funds to be released could suggest that she didn't have an urgent need for the funds in mid-March 2025. And she didn't provide evidence otherwise.

I don't think it's fair and reasonable in the circumstances to require NatWest to pay further compensation or take further steps regarding Miss A's complaint about its requirement for a direct debit or delays with the mortgage application or with the funds being released.

Miss A says she's had further issues with NatWest, related to how it applied over payments, the direct debit she set up and arrears on the account. Miss A should first raise these concerns with NatWest and give it an opportunity to respond. I can't consider these issues as part of this complaint.

### **My final decision**

My decision is that I do not uphold this complaint. That's because I find that National Westminster Bank PLC has done enough to put matters right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 22 December 2025.

Ruth Stevenson  
**Ombudsman**