

## The complaint

A limited company, which I'll refer to as 'B', complains about several aspects of the service it received from National Westminster Bank Public Limited Company ("NatWest") regarding its Bounce Back Loan ("BBL").

B's complaint is brought to this service by its director, whom I'll refer to as 'Mr G'.

## What happened

In December 2022, Mr G complained to NatWest on B's behalf that B's BBL had been defaulted, which Mr G felt was unfair. In response, NatWest upheld B's complaint and said that it would rescind the default and correct B's credit file.

In March 2023, Mr G complained to NatWest on B's behalf again, because he felt that NatWest were still reporting B's BBL incorrectly and hadn't taken the corrective action they'd promised to take as per their December 2022 complaint resolution letter. In response, NatWest explained that they had taken the requisite corrective action and weren't reporting the loan as defaulted.

Following this complaint response, Mr G continued to maintain that NatWest weren't reporting B's default correctly, but he didn't receive any further formal response from NatWest.

This led Mr G to formally complain to NatWest about B's BBL once again, in January 2024. In response to this complaint, NatWest accepted that it hadn't been reporting B's default as it should have been, following the December 2022 complaint, and apologised to Mr G for not resolving this matter sooner and for not responding to his ongoing correspondence. NatWest also promised to correct their reporting to the credit reference agencies and said that they would consider reimbursing any costs that B may have incurred because of their mistake.

However, when Mr G raised that complaint in January 2024, B had fallen into arrears on its BBL because it had missed or only partially made several payments to the loan throughout 2023. B didn't recover the position of its BBL and fell further into arrears during 2024. This led NatWest to issue a formal demand to B for full repayment of the outstanding BBL balance in October 2024. And, when B didn't meet the requirements of that formal demand, NatWest defaulted the BBL in December 2024.

Mr G wasn't happy about this and complained to NatWest about it. In response, NatWest explained that they had corrected the credit file reporting as per their promise in 2022 and explained that the present default reporting was correct and a consequence of B not satisfying the requirements of the recently issued final demand.

Mr G wasn't satisfied with NatWest's response, and he also wasn't happy that NatWest hadn't honoured their promise to reimburse costs to B, or that NatWest had incorrectly applied interest to B's account in 2023, which he felt had contributed to B missing payments at that time. So, he referred B's complaint to this service.

One of our investigators looked at this complaint. They felt that Mr G had referred B's complaint about the default reporting from 2022 and about the reimbursement of costs too late for us to consider them. And, regarding the points of complaint our investigator did feel this service could consider – the 2024 default and the incorrect interest – our investigator didn't feel that NatWest needed to take any further action in those regards.

Mr G didn't accept the view of B's complaint put forward by our investigator, so the matter was escalated to an ombudsman for a final decision.

### **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 his correspondence with this service, Mr G has made several points of a regulatory or legal nature. I'd therefore like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mr G has provided several detailed submissions to this service regarding B's complaint. I'd like to thank Mr G for these submissions, and I hope that he doesn't consider it a courtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr G notes that I haven't addressed a specific point that he's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Mr G and NatWest. Accordingly, I can confirm that if Mr G notes that I haven't responded to a specific point that he's raised, I have considered that point, but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

This service doesn't have a free hand to look at every complaint that's referred to us. What we can look at is defined in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook.

The relevant section here is DISP 2.8.2, which says that unless the business provides its consent, or unless exceptional circumstances apply, we can't consider a complaint if it's brought to us more than six months after date of the complaint response letter issued by the respondent business.

Regarding B's complaint about the initial default in 2022, NatWest sent their formal response to that complaint point in their letter dated 9 December 2022. That letter gave Mr G six months from that date to refer B's complaint about that issue to this service, if he wasn't satisfied with B's response or subsequent actions.

Similarly, regarding B's complaint point about the reimbursement of associated costs, this was responded to by NatWest in their letter dated 24 January 2024, and this letter again gave Mr G six months from the date of that letter to refer that point of complaint to this service.

However, Mr G didn't refer these points of complaint to this service until February 2025, which is more than six months after NatWest issued their responses to those points of complaint. This means that these points of complaint have unfortunately been referred to this service too late for us to consider them, unless NatWest give their consent for us to do so (which they have not) or unless the exceptional circumstances clause applies.

In his correspondence with this service, Mr G has explained that he feels that B's dissatisfaction about these points is part of one continual, sustained complaint, about which he has been in ongoing discussion with NatWest about since 2022. I can appreciate Mr G's position here, but it doesn't change the DISP rules by which this service must abide. And while Mr G had the right to continue to discuss matters over a prolonged period, the DISP rules mandate that Mr G needed to refer his complaint to this service within six months of the relevant complaint response letters, as explained above, regardless of any continuing discourse he may have had with NatWest.

Furthermore, the fact that Mr G had such continuing discourse provides strong evidence that Mr G could have referred these aspects of B's complaint to us but didn't. Accordingly, I don't feel that the exceptional circumstances clause applies here, because I don't feel that Mr G was tangibly prevented from referring those points of complaint to us, but simply did so too late for us to have the authority to consider them.

I appreciate this may be disappointing for Mr G, but this service's jurisdiction as defined by the DISP rules is a black and white issue – we either have the authority to consider a point of complaint, or we do not. And, in this instance, for the reasons explained above, I'm satisfied that this service does not have the authority to consider these points of complaint, and so I will not refer to them again.

Moving to the points of complaint that this service can consider, which to reiterate are the defaulting of B's BBL in 2024 and the incorrect interest applied to the loan in 2023, I don't feel that NatWest should fairly or reasonably be instructed to do anything further in these regards.

Considering the 2024 default first, it's evident that B didn't meet its contractual payment obligations on the BBL during the second half of 2023 such that its loan fell into arrears. And while B did make the scheduled monthly payments from the start of 2024 onwards, it didn't make additional payments to clear the loan arrears that had accrued. This meant that when B didn't make a BBL payment in July 2024, the loan fell further into arrears – to a position where NatWest commenced what I feel were fair and reasonable collections and recoveries action against it, which culminated in the default.

Regarding the incorrect interest that was applied to B's BBL by NatWest in 2023 – when, for several months, NatWest incorrectly applied interest at 25% rather than 2.5% - NatWest have acknowledged their mistake and already made the necessary corrective reimbursements. Accordingly, there is no further corrective action required from NatWest, because they've already returned B's BBL balance to what it should have been, had the mistake not occurred.

Mr G has suggested that the higher interest applied to the BBL in 2023 affected B's ability to make the required loan payments during that time. But I'm not persuaded by this argument, because while the incorrect application of interest affected the overall balance of the BBL, it had no effect on the ongoing monthly payment amounts that B was required to make. This means that B wasn't being asked to make payments in 2023 that were higher than it should have been asked to make. Instead, the scheduled payments throughout 2023 were of the correct amount, and B didn't make those correctly requested payments as required, which caused its loan to fall into arrears.

It therefore follows that I won't be upholding these points of complaint or instructing NatWest to take any further actions in these regards. This is because I'm satisfied that NatWest have already corrected the interest mistake, which as explained had no impact on the payments B was asked to make, and because I feel that B's BBL was defaulted fairly by NatWest in December 2024.

I realise this won't be the outcome Mr G was wanting, but I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

## **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 25 December 2025.

Paul Cooper  
**Ombudsman**