

The complaint

Mr O is complaining that National Westminster Bank Public Limited Company (NatWest) unfairly defaulted his account.

What happened

Mr O took out a loan with NatWest in April 2024, and this was managed well until January 2025 when he started to struggle to maintain the account.

Mr O made late payments in January, March, and April 2025 and then missed payments in June and July 2025, so the account fell into arrears. I can see that he got in touch with NatWest about his financial difficulties in June 2025 and took advantage of the breathing space offered by NatWest during this time. Mr O continued to make the contractual payments in August and September 2025 but didn't pay the arrears on the account.

As a result of the arrears and payment issues NatWest sent Mr O a default Notice in September 2025 telling him he needed to make a payment of £404.82 before 25 October 2025. Although Mr O made a partial payment to the account, he was unable to pay off all the arrears. So, NatWest sent him a final demand for the full balance of the loan. As he was unable to pay this, the account was defaulted in November 2025.

Mr O complained to NatWest about the default. NatWest responded saying that it understood why Mr O had been unable to maintain the account, but it didn't think it had acted unfairly. It explained it had a duty to accurately report what had happened on the account so it wouldn't be removing the default. Unhappy with this response, Mr O referred the case to this service.

One of our investigators considered the case but didn't agree that NatWest had acted unfairly and so didn't ask it to do anything further.

Mr O was unhappy that our investigator hadn't recommended the default be removed and felt NatWest had failed to treat him fairly given his situation. So, he asked for a decision – and the complaint's been passed to me.

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 think it would be helpful to set out here that the Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. By 21 September 2025, when the default notice was issued, Mr O had been behind by at least one payment for three months. So, I think NatWest was acting in line with the ICO guidance here.

I can see NatWest engaged with Mr O about his circumstances in June 2025 when he contacted it. From the evidence I've seen, it appears Mr O wasn't in a position to make

payments to the loan and didn't expect his situation to improve in the near future. Given this NatWest provided breathing space for 30 days. But it made it clear over the phone and in written correspondence, that Mr O would need to contact it again at the end of the 30 days, or it would resume applying interest and charges to the account. It also made Mr O aware of the position of the account, offering support, providing details of independent debt advice charities and letting him know what might happen if payment to the account wasn't made. I can also see it gave him the required notice before the account was defaulted.

It's clear that Mr O was having some financial difficulties and that he was struggling to make up the payments he'd missed. But I can't see that he contacted NatWest again after June 2025 to discuss the account, until he raised this complaint at the end of October 2025.

To prevent the account from defaulting NatWest required Mr O to pay just over £404 by 25 October 2025. I can see that Mr O maintained his payments on time in August, September, and October 2025. He also made an additional payment of £206 on 29 September 2025 (8 days after the default notice was issued) and £197 on 28 October 2025 (3 days after the deadline given in the default notice). So, when it didn't receive the required payment by the deadline NatWest issued a final demand for the full balance of the loan on 25 October 2025. Although Mr O did make the payment of £197 on 28 October 2025, he was unable to make further payment to the account and so the account was defaulted in November 2025.

This service expects a business to treat customers who are experiencing difficulties positively and sympathetically. In this case, I can see that NatWest wrote to Mr O about the arrears and provided the appropriate level of forbearance when he was unable to make payment. NatWest offered him support and signposted him to agencies who could provide help. All of this is in line with what this service would expect to see, taking into account all the relevant regulations. I can understand why Mr O feels NatWest's actions were draconian given he had all but cleared the arrears on the account by 28 October 2025 and demonstrated that he could make the contractual repayments at the same time. However, he didn't bring the account up to date before 25 October 2025 as required. I also can't see that he contacted NatWest to discuss his planned repayments or to make an appropriate repayment plan prior to this date.

Given this, and the indication given in June 2025 that Mr O's circumstances were unlikely to change, I don't think NatWest could reasonably have been aware Mr O intended to make further payments to bring the account up to date. So, I don't think it acted unreasonably in issuing a final demand for the balance of the loan on 25 October 2025.

I appreciate Mr O has said he didn't receive the default notice or the final demand. But I have seen evidence that NatWest sent both documents to the address it held for Mr O and I can't hold it responsible for any delivery issues. I also must consider that it had contacted Mr O a number of times about the account and asking him to get in touch urgently, which he didn't do. So, given this, and that Mr O knew he was behind with payments, I think he reasonably should have known he needed to engage further with NatWest about the account prior to 30 October 2025, when he complained.

I empathise with Mr O's situation but on the evidence available, I can't reasonably say that NatWest shouldn't have defaulted the account. I also think NatWest offered Mr O the support we would expect given Mr O's circumstances.

Mr O wants the default removed from his account – and I don't doubt how upsetting this is for him. But, as I've explained, I don't think Nat West has inaccurately applied the default given the circumstances. No payment was made in November 2025 so I can't see that Mr O was in a position to get the account back on track and continue to meet the contractual monthly repayments. Given this, I can't fairly say NatWest has acted unreasonably and

should remove the default.

My final decision

My final decision is that I don't uphold Mr O's complaint about NatWest for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 May 2026.

Charlotte Roberts
Ombudsman