

## **The complaint**

A limited company, which I'll refer to as C, complains that National Westminster Bank Public Limited Company has wrongly removed funds from its bank accounts and obstructed its attempts at voluntary liquidation.

C's complaint has been referred to us by its sole director, Mr P.

## **What happened**

C successfully applied for a £50,000 bounce back loan ("BBL") in 2020 and repayments began a year later. Mr P told us:

- There were problems applying for the Pay As You Grow repayment holidays and NatWest's staff gave him incorrect information on the phone.
- In late 2023, C finally succeeded in applying for a repayment holiday.
- Shortly afterwards, the bank gave notice to close C's current account.
- NatWest doctored C's bank statements and then withheld them from him.
- C ceased trading in July 2024 and therefore no funds should have been removed from the account since then.
- He had been trying to arrange for C to enter creditors' voluntary liquidation ("CVL") since July 2024, but could not afford to do so unless NatWest returned some of C's funds.
- Specifically, NatWest had debited C's account with a total of £525.29 between June and September 2024, of which only £175.30 had later been returned to him.

C has made several complaints to the bank, starting in early 2024. In June 2025, Mr P referred C's most recent complaint to the Financial Ombudsman.

One of our investigators looked into what had happened, but concluded the evidence did not show that NatWest had not done anything wrong.

C disagreed and asked for an ombudsman's 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.

Having done so, I've reached the same conclusion as our investigator. I know Mr P believes NatWest has defrauded C, but I have found no evidence of this. So I'm not going to direct the bank to take any action. I'll explain why below.

I acknowledge that C has told us in his most recent submissions that the complaint is about C's banking relationship as a whole and its struggle to operate its accounts, but I only have the power to consider complaints that have been made to the bank first and referred to the Financial Ombudsman in accordance with our rules. I can therefore only consider in this decision the matters mentioned in the bank's final response dated May 2025 and then referred to this service in C's complaint submission.

It follows that I agree with our investigator that the issues complained about in 2024 and covered by the bank's response letter dated April 2024 will not be considered in this decision, because they were not referred to this service in time and I haven't been made aware of any exceptional circumstances that prevented such a referral. This includes the problems with repayment holidays, the complaint that Mr P was told he was personally liable for the BBL and the issues with a change of address.

### **Should C have made BBL repayments between June 2021 and September 2023? Has NatWest obstructed the CVL process?**

C's director argues that these repayments should not have been paid as the company hadn't yet resumed trading following the pandemic. But I'm satisfied that repayments were made in accordance with the BBL agreement, which set out clearly that the loan would begin with a 12 month capital repayment holiday, after which monthly repayments would be payable.

Mr P seems to believe that these repayments were taken from C's current account in breach of the BBL agreement, but I have seen no evidence of this. Repayments were not contingent on trading having recovered. So I don't think NatWest has done anything wrong by administering the loan in accordance with the agreement. Neither have I seen any evidence that the bank misled C on this point.

My conclusion is therefore that it was reasonable, and in line with the British Business Bank's guidance, for the bank to decline to refund these payments.

I know Mr P is trying hard to get some funds to improve the position of his former employees. And I can see he is in a difficult position, in that he can't start the CVL process to wind up the business unless he can obtain some money to pay the fees. But I don't think this means NatWest has done anything wrong.

Mr P has made several comments about insolvency legislation and I think he may be thinking of the fact that, in an insolvency, salaries are considered priority creditors, thereby ranking ahead of unsecured bank borrowing. But in C's case, C is still not in liquidation. I say this because Companies House records would show if a CVL had commenced and NatWest would have been formally informed. C may be technically insolvent, and may have been for some time, but banks are not expected to identify this and act differently (unless they are asked to consider new lending of course).

It follows that I also don't think the bank has done anything wrong in principle by allowing some further transactions through the account after July 2024. I say this because it is normal for transactions to continue for a time after trading ceases, as a company winds up its affairs. I will however consider the specific transactions mentioned below. I also haven't seen any evidence C informed the bank it had ceased to trade at that time.

Other than declining to refund BBL repayments (which I've concluded the bank was entitled to do), I haven't seen any evidence that NatWest has obstructed the insolvency process.

## **Have C's bank statements been "doctored"? What happened to the £525.29?**

My understanding of the point about "doctored" is that C has been provided with historic transaction listings extracted from statements rather than copies of the bank statements in the format originally provided for C. Mr P believes that the transactions shown on these statements may have been tampered with and cannot be relied upon.

I would like to reassure Mr P that statement information is routinely provided to the Financial Ombudsman in this format and I do not consider the difference from regular customer statements indicates any intention to deceive. I have no reason to disbelieve the records we have been sent. The BBL statements, for example, show transactions that are consistent with the normal operation of a BBL.

This brings me to the question of the £525.29, of which Mr P thinks C has been unfairly deprived. This consists of three transactions – £155.95, which debited C's current account on 9 July 2024, £194.04, which debited C's current account on 13 September 2024 and £175.30, which was transferred out of C's account to bring the balance to nil in December 2024.

I understand that the third of these sums, £175.30 was refunded back to C in early 2025 at Mr P's request. So I'm not aware of any further dispute about this sum.

I have looked carefully at the BBL transaction history (which, as I've said, I'm satisfied is an accurate record) and I can see that up until June 2025, there is a debit to the BBL for interest every quarter. There is one exception to this - September 2024. However, I'm satisfied that the £194.04 that came out of the current account that month was the BBL interest for the quarter ending September 2024. There is no corresponding credit to the BBL, but that is correct, because during a capital repayment holiday, the interest is debited direct from the borrower's current account so that the BBL balance does not increase.

I appreciate this is a little confusing, because Mr P can see corresponding entries on the BBL account for every other transaction. But this is because the capital repayment holiday taken in April 2024 was the first one of this type C had taken. It is different from the first Pay As You Grow option C took in October 2023, because on that occasion it was a capital *and* interest holiday. That meant that during the six month period from October 2023 to March 2024, nothing was paid from the current account at all towards the BBL and interest rolled up, that is, it continued to be deducted from the BBL, thereby increasing the amount outstanding.

NatWest has been unable to find any records to confirm definitively what the entry for £155.95 is for. In situations such as this, where the evidence is not conclusive, it is my role to decide what is more likely than not to have happened based on whatever evidence is available.

My conclusion is that the £155.95 debit to the current account, which is matched by a corresponding credit to the BBL (albeit on a slightly earlier date) is a correction for an error regarding the interest for the first three months of the capital repayment holiday that ran from April to September 2024. This interest should have been taken out of the current account, in the same way as it was for the next quarter to September 2024, but instead was deducted from the BBL, as can be seen on the BBL statement.

In summary, then, I realise this explanation is a little complicated, but C's current account should have been debited with quarterly interest on 28 June 2024. Instead, it was debited with £155.95 slightly later. I am satisfied that NatWest has not unfairly deprived C or its employees of any funds by making these transfers and nor has C suffered any material detriment as a result.

### **My final decision**

For the reasons explained above, I do not require National Westminster Bank Public Limited Company to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 21 May 2026.

Louise Bardell  
**Ombudsman**