

complaint

Miss S complains that National Westminster Bank Plc (NatWest) has been chasing her for more money than she owes, and this has damaged her credit rating.

background

Miss S brought a complaint to us in 2015 about a dispute with NatWest. The case involved an overdraft of £1,000 and was referred to an ombudsman. In summary he said NatWest should pay Miss S a total of £500 compensation, and arrange for the remainder of the debt to be paid in instalments.

Miss S contacted us more recently to say that following the ombudsman's decision, she'd been contacted by debt collectors on behalf of NatWest for £549.01. She'd told the debt collectors she didn't recognise the amount, so they promised to go back to NatWest to check it. She heard no more until she was chased by a different debt collector for the same amount. The same thing happened and she was finally chased by a third debt collector.

Miss S has checked her credit file and says the debt is showing as 'failed to pay' but she says it should have been marked as being in dispute due to the amount. This is now causing problems for Miss S in obtaining credit elsewhere.

One of our investigators looked into the complaint. He felt NatWest should have contacted Miss S to discuss repayment options following the ombudsman's decision and an 'arrangement to pay' marker should've been put on her credit file. NatWest accepted that and said if Miss S agreed, it would mark the debt as arrangement to pay (removing the other information) and bring the debt back into its collections department so a repayment plan could be arranged.

NatWest said the balance of £549.01 was correct. The bank had already paid Miss S £50 before the ombudsman's decision, so it reduced the balance by a further £450 afterwards – making a total of £500. This left the balance outstanding as £549.01.

Our investigator felt the bank's offer to update things correctly was suitable.

Miss S didn't agree. She felt she was entitled to further compensation because NatWest had accepted mistakes were made. Our investigator said he didn't think that was appropriate because Miss S had been fully aware that the debt was at least £500 and she could've made some payments to it while disputing the total amount. Miss S didn't agree, and asked for her complaint to be considered by an ombudsman for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

NatWest has accepted it could've done more following the previous ombudsman's decision. So I'm pleased to see that it has agreed to put things right in terms of correcting Miss S's credit file and agreeing a repayment plan. It hasn't done so yet as Miss S didn't accept the offer when it was put forward by the investigator.

I can understand Miss S's confusion when she was asked to pay £549.01 rather than the £500 she was expecting. NatWest has explained the reason for the amount of the debt and I think it is clear that £549.01 is outstanding.

But there is no doubt that Miss S was aware she owed money to NatWest that she had to repay. Had she decided to make a token payment while disputing the amount, then I think it would be unlikely that the debt would have had the effect on Miss S's credit file that it has. So I don't think it would be reasonable for me to ask NatWest to pay any further compensation.

Overall, I think NatWest's offer to update Ms S's credit file and agree an affordable repayment plan is fair and reasonable.

my final decision

My final decision is that National Westminster Bank Plc should to update Miss S's credit file by removing the default and add an 'arrangement to pay' marker in its place from September 2015. It should do so within six weeks of acceptance of this decision.

National Westminster Bank Plc should also discuss an affordable repayment plan with Miss S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 2 October 2017.

Richard Hale
ombudsman