

complaint

Mr S complains that National Westminster Bank Plc didn't amend his bank account details when he asked it to. He says this mistake means NatWest is holding him liable for debts accrued by his business.

background

Mr S says he asked NatWest to change his business account details from a sole-trader account to that of a limited company. And he says because it didn't, he is being held liable for the debts of his business.

NatWest rejected this complaint. It said it couldn't be certain what Mr S had discussed with his account manager at the time but it apologised that his request for an account change hadn't been picked up. And it offered him £100 in recognition of the poor service he'd received.

But NatWest also said that even if the account manager had sent in a request to change his account details, the end result would've still been that he'd have been liable for those same debts.

Our adjudicator looked at this complaint and said that he thought the complaint shouldn't be upheld. He explained that NatWest wouldn't simply have changed his bank account – it would've needed to close the existing account and open a new account in the name of the limited company. And if it'd done this, Mr S would've needed to repay the existing debt in order to close the sole-trader account. And any new debt agreed on a limited company account would have had to have been personally guaranteed by him.

Furthermore, as Mr S said he wouldn't have been able to repay the sole-trader debts, it's very unlikely that the bank would've agreed to account changes even if his account manager had submitted the paperwork.

Mr S disagreed – so the case has been referred to me 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. Having done so I have to tell Mr S that I think the adjudicator has reached the right outcome here. And I think the adjudicator has set out the position very clearly so there's very little I can usefully add to what he's already said.

I can understand that Mr S is disappointed that the bank didn't do what he says the account manager should've done. But I've noted that NatWest accepted this may have happened and paid him £100 in compensation – and I think this is fair and reasonable.

So next I've considered whether Mr S lost out because of this – but having done so, I have to tell him that I don't think he did.

NatWest says that in order to change his account, Mr S would've needed to repay the debt on the sole-trader account before closing it. And only then could he have applied for a new account for his business as a limited company. But Mr S told us that he wouldn't have been

able to repay the debt – so I agree with our adjudicator – it's highly unlikely that the account changes would have happened. And he'd be indebted to the bank in the same way today.

Mr S said that he would have hoped to be able to take out some new borrowing on his new account. And that he could've used this to repay the debt on the old account. But even if I accept that this would have been possible – I still don't think he's lost out. I say this because NatWest would've required a personal guarantee from him to secure such lending – so he'd have remained equally liable for the debt.

So for the reasons I've given, I reject this complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 November 2015.

Andrew Macnamara
ombudsman