

complaint

Mrs G is the executor of the estate of her late mother (who I'll refer to as "Mrs H"). She complains that National Westminster Bank Plc (NatWest) lent money irresponsibly to Mrs H.

background

Mrs G complains about the way in which the bank allowed Mrs H's accounts to be conducted. She has made a number of points. The main ones are that:

- Mrs H couldn't repay what she owed the bank. The bank shouldn't have offered her more credit in 2004 and 2005 as she was a pensioner living alone at this time, unable to repay what she had borrowed. She was forced to take out loans to repay her debts.
- Mrs H paid for credit card protection (covering card loss), and identity protection. Mrs G asks why Mrs H wasn't advised to take payment protection insurance instead as Mrs H had taken out similar products with other businesses at the time. She says the bank should've checked this before selling Mrs H these products, and that payment protection insurance would've been more appropriate.
- the bank didn't do more to help Mrs H contact it. She says Mrs H (a vulnerable adult) didn't have access to the internet - it should've provided her with details of a named person to contact.

Mrs G also complained about the lack of help offered to Mrs H when she notified the bank of her ill health, and that she had to wait over 30 minutes to speak to the bank on the phone about what happened.

The bank agreed it should've done more to help Mrs H when she notified it of her ill health. It refunded around £600 in charges levied on Mrs H's account from July 2013. It has also sent Mrs G a cheque for £10 to cover her call costs. But it didn't agree with the other points Mrs G made.

Our adjudicator didn't recommend the complaint should be upheld as he didn't consider the evidence suggested Mrs H was taken advantage of. He said Mrs H had an excellent payment record in the years since she opened a credit card account with the bank. In the circumstances (and as there's no record of Mrs H telling it about any financial difficulties she was having) he didn't consider the bank should've been aware that Mrs H was struggling to pay off what she owed. He considered Mrs H asked for her credit limit to be increased in 2002. He accepted her credit limit was increased after this without her asking for it to be, but didn't consider this was unusual at the time. Nor did he consider Mrs H was required to spend all the money that was made available to her. Mrs G didn't agree with the adjudicator.

my findings

I've considered everything Mrs G and the bank have said and provided to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, as some of it is here, I reach my decision on a balance of probabilities – that is, what I consider is most likely to have happened in the light of the evidence that's available and the wider surrounding circumstances.

Mrs H's ability to repay what she owed

Mrs G says the bank should've done more to assess Mrs H's ability to repay what she owed, and that even though Mrs H met her monthly repayments it didn't mean she could afford more borrowing – that she “survived” by taking out loans and credit cards with other providers.

The bank says Mrs H's credit card account was opened after it checked her credit file. It says it offered her more credit after this in the light of her repayment and usage history. Mrs H generally paid the minimum amount required each month - except for periods in which she was in hospital. I appreciate Mrs G thinks the bank shouldn't have given her more credit, but I consider it was entitled to take the commercial decision to lend her more money in the circumstances. I'm not persuaded the bank thought Mrs H was in financial difficulties at the time, that it was obvious from Mrs H's account history that she was struggling, or that Mrs H told it she was.

The bank has provided me with a copy of a credit card application form Mrs H completed. This says that Mrs H was retired with a gross annual income of approximately £18,000. I consider the bank could reasonably expect Mrs H to tell it if her circumstances had changed. On balance, I'm not persuaded it was clear to the bank (on the information available to it) that Mrs H wouldn't be able to repay what she owed. Mrs H kept up with her monthly repayments to the bank. This suggests to me that her borrowing was affordable. So I don't think it's fair for me to hold it responsible for Mrs H using the credit she was offered, even if she didn't ask for it in the first place.

Mrs G has asked this service to consider the interest Mrs H paid over the last 40 years against what she originally borrowed. I'm not able to do this as all this information isn't available. I'm not surprised by this as the bank isn't required to retain records indefinitely and will generally retain records for only six years. However, I find nothing to indicate that Mrs H wasn't aware of the interest rate on the credit she was given at the time. As I said above, the bank was entitled to take the commercial decision to lend Mrs H more money on terms it was prepared to lend on. Mrs H wasn't required to borrow money from the bank if she didn't want to.

card and identity, and payment protection products

Mrs G says the bank should've realised that Mrs H had card protection and identity protection in place with other companies at the time – that the bank should've checked this before selling these products. But it wasn't required to do this. The bank (on a no liability basis) has offered £148 to cover card protection premiums paid (plus interest) in the 2001-2005 period. It says this payment is in line with what it told the regulator it would do in connection with this product. It has suggested the estate contact the relevant compensation scheme to cover the post 2005 period and the identity theft insurance (which it says it didn't sell), and has provided contact details for this scheme which our adjudicator has passed on to Mrs G. I consider this to be fair in the circumstances.

Mrs G says that payment protection insurance would've been a more suitable product for Mrs H. But the bank says that Mrs H didn't tick the box asking for this when she opened her credit card account. In any event it says that it wasn't suitable for Mrs H as it was only valid for customers who were in permanent paid employment for at least 16 hours a week. I consider this to be a reasonable explanation for why this product wasn't sold to Mrs H.

Mrs G has also complained to this service about the business that sold Mrs H the identity protection product. That complaint will be considered separately by this service.

other points

I don't find the bank acted unfairly by not giving Mrs H a named person to contact about her account. I appreciate Mrs G's point, but don't consider it was required to do this, or that Mrs H was prevented from contacting the bank because she didn't have access to the internet.

Taking the matter as a whole, I don't conclude the bank took advantage of Mrs H. I realise Mrs G is likely to be disappointed by my decision. It's clear she is very upset about what happened - especially when Mrs H's accounts are considered in the context of her other accounts with other businesses. But I don't consider the bank should've been aware of the details of Mrs H's accounts with other business unless she told it about them (which I'm not persuaded she did) or unless the bank checked her credit file. I can see the bank checked Mrs H's credit file when her credit card account was opened, but it's not clear to me, on the basis of the available information, that it checked her credit file after this. However, I'm not persuaded it was required to do this at the time. I consider it was able to offer her more credit on the basis of her dealings with it.

Taking the matter as a whole, I consider the bank acted fairly. So despite my natural sympathy for Mrs G on the loss of her mother, I consider the bank's offer of £148 is reasonable. In the circumstances, I don't consider it would be fair for me to require the bank to do more to compensate Mrs H's estate for what's happened.

my final decision

My final decision is that the bank has made a fair offer. I order it to pay Mrs H's estate £148.

Laura Forster
ombudsman