

complaint

Mr M complains that National Westminster Bank Plc (NatWest) irresponsibly lent him money, when it should've known he had a gambling problem.

background

Mr M opened an account with NatWest without an overdraft facility. In 2016 NatWest wrote to Mr M and told him it was changing the types of accounts it offered, and his account would now have an overdraft facility. In 2015 Mr M opened another NatWest account and in May 2016 asked for an overdraft facility on this account.

Mr M says he became overdrawn on both accounts as a result of his gambling problem. He says he didn't want an overdraft facility on his first account. And if NatWest had carried out credit checks it wouldn't have lent to him. He would like the overdrawn balances written off.

NatWest says Mr M applied for an overdraft on his first account before it changed his account. It also says Mr M hadn't told it about his gambling problems, and he applied for the second account online.

Mr M complained to us and our investigator thought Mr M had the benefit of the money. He also thought Mr M could've told NatWest that he didn't want an overdraft on the first account when he was offered it. Following our involvement NatWest has agreed, as a gesture of goodwill, to reduce the balance on the first account by £50 and refund charges of £204 on the second account.

Our investigator thought this offer was fair and reasonable. Mr M doesn't accept that view and would like all of the charges refunded from when he made his complaint.

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've come to the same overall conclusions as the investigator, that NatWest has made a fair and reasonable offer to settle matters.

I don't think Mr M told NatWest about the gambling problem or asked it for help in managing his accounts. In those circumstances I don't think NatWest was irresponsible in allowing the overdrafts on the accounts. I also think that Mr M could've told NatWest he didn't want the overdraft on the first account when it told him about the proposed changes in 2016. I'm also satisfied Mr M has had the benefit of the money, and I don't think it fair that the overdrafts should be written off.

I appreciate Mr M says that, if credit checks were carried out when he opened the second account, then the application would've been refused. I can't be sure what checks were carried out, but I don't think it's for this service to tell a bank how it applies its commercial judgement in deciding when to open a bank account. I can see that, when Mr M applied for the second account, his first account had been open for about two years. I've also looked at the statements of the first account and can see that in the five months prior to the opening of the second account, the account appears to be, on the whole, in credit.

I understand why Mr M thinks the charges should be refunded from when he made his complaint. But I think the charges have been correctly applied to the account, so I can't fairly ask NatWest to refund them in those circumstances.

I'm satisfied that since NatWest was made aware of the extent of the gambling issue, It's acted sympathetically by offering to reduce the overdrafts and discuss a repayment plan with Mr M.

my final decision

My final decision is that NatWest has made a fair and reasonable offer to settle this complaint. Mr M's acceptance of that offer would be in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 May 2017.

David Singh
ombudsman