

## **complaint**

Mr P is unhappy that National Westminster Bank Plc (NatWest) sold his outstanding debt to a third party. The debt relates to the overdraft on a NatWest current account.

Mr P also disputes NatWest refunded interest to him in 2015 relating to the same account. And doesn't accept a phone call took place between him and NatWest on 12 July 2016 about the debt in question.

In addition, Mr P has told us he's unhappy with the time and effort he's had to make corresponding about this complaint.

## **background**

Mr P was struggling financially in 2013, following which various arrangements were made for Mr P to repay the debt. So for several years, Mr P has been making agreed payments (typically £1 per month) towards the outstanding debt. In 2014 Mr P's debt was defaulted and in 2016 NatWest said it let Mr P know the debt would be passed to one of their partners – 'Company W' – to manage. NatWest said they told Mr P about this in a phone call on 12 July 2016, which Mr P disputes. NatWest later went on to sell Mr P's debt to a third party I'll refer to as 'Company S'.

NatWest wrote to Mr P on 26 February 2019 to let him know the debt was being sold or 'assigned' to Company S who would now be the legal owners of the debt; therefore, Company W was no longer managing the debt on NatWest's behalf. The letter set out that the outstanding balance on the account was £1,460 and that all payments going forward should be sent directly to Company S. Details of how to do this and contact details for Company S were provided in the letter.

A second letter dated the same date – 26 February 2019 – was sent to Mr P from Company S. This confirmed Company S had bought Mr P's debt from NatWest, effective from 8 February 2019, and that all payments should now be sent to Company S. The letter confirmed instalments would remain the same and they would be reviewed in the near future to ensure they were still affordable for Mr P. Company S provided their contact details for Mr P. Mr P says these letters came to him in the same envelope – something he is also unhappy about.

Mr P raised his concerns that the debt with NatWest had been sold – particularly as he says he had not missed any payments. And he received a reply to his complaint from the executive office of another entity part of the same group as NatWest. I'll refer to this entity as 'Company R'.

The letter dated 13 March 2019 set out Company R's understanding of what had happened to Mr P's account. And it explained that going forward Company W would be looking after Mr P's debt and it referred Mr P to Company W.

I understand Mr P then contacted Company R expressing his concern about how things had been handled.

On 19 March 2019 Company R wrote to Mr P again to provide further clarity about how the debt had been managed and included some commentary about how the complaint was dealt with. The letter also included an apology for incorrectly referring Mr P to Company W in their

last letter of 13 March 2019 - given at the time of issuing the letter on 13 March 2019 the debt had already been sold to Company S. Company R however explained they were confident the correct process had been followed in relation to the sale of Mr P's debt, so they didn't consider Mr P's request for compensation.

Our investigator didn't uphold Mr P's complaint. In summary, he said NatWest had acted in line with the terms of Mr P's account in transferring their rights and responsibilities under the agreement to Company S. And while the investigator acknowledged the error in Company R's letter of 13 March 2019, he recognised that NatWest had apologised for this and didn't feel anything further was warranted in the circumstances.

Mr P strongly disagreed with the investigator's opinion and in response raised the concerns about the refund in 2015 as well as querying the call from 12 July 2016. Our investigator made further enquiries and responded to Mr P to explain they'd seen internal evidence from NatWest which supported that £155.80 was refunded to Mr P on 19 May 2015. And while a copy of the call recording wasn't available due to the passage of time, NatWest's debt manager notes (which Mr P has had sight of) referred to the call with a brief description of what was discussed.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I've taken into account any relevant law and regulation, regulatory rules, guidance and standards and codes of practice as well as what would have been good industry practice at the time. Having reviewed everything, I've come to the same conclusions as our investigator for broadly the same reasons.

I understand Mr P has raised other complaints so, for clarity, my decision relates only to whether it was fair for NatWest to sell Mr P's debt to Company S; whether a refund was given to Mr P in 2015 and whether or not there was a phone call on 12 July 2016 relating to what was happening with Mr P's debt.

I've noted Mr P's concerns about how the complaint has been handled by Company R, and his particular reference to correspondence between him and a representative of Company R. It may help Mr P to note that 'complaint handling' is not considered a 'regulated activity' under the rules this service is required to follow. This means I can't look at how Company R handles complaints brought to their service.

It may help Mr P to also know that our service is not the same as the regulator, the Financial Conduct Authority (FCA). Our role is to consider the individual circumstances of each complaint brought to our service. It is therefore not for us to review wider firm behaviour; fine or punish firms; investigate how firms handle their complaints or review the processes they have in place to deal with complaints.

However, I have taken it that Mr P, in part, makes reference to the communications about how the complaint was handled, to illustrate his concerns about Company R and NatWest's ability to manage things in general – including the handling of his debt. It's unfortunate the letter of 13 March 2019 from Company R contained incorrect information, but like the investigator I can see Company R apologised for this.

Mr P feels strongly that various errors he's seen from Company R and NatWest illustrate it's not possible to believe what these businesses are saying. And while I acknowledge his

concerns, I must be mindful of the overarching issue I have to consider – which is whether it was fair for NatWest to sell Mr P's debt to Company S. After looking at everything that's been made available to me, I think it was fair for NatWest to sell Mr P's debt.

The terms and conditions associated with Mr P's account explain that NatWest '*may transfer our rights or responsibilities under this agreement to another person or organisation in the future. We'll only do this if we reasonably believe that you'll be treated to a similar standard after the transfer as we treated you beforehand*'.

I therefore think that selling Mr P's debt was something NatWest were entitled to do under the terms of the account. This is not an unusual term and banks will often make commercial decisions to sell debts to third parties. So whether Mr P was making the required payments wouldn't have influenced such a commercial decision.

I also think NatWest have done what they needed to when they sold the debt on, by providing Mr P with details of the third party and passing Mr P's debt to a company that would continue to deal with things fairly and reasonably for Mr P. For example, I can see from the submissions that the instalments have remained the same with Company S with a promise to review things to ensure they are still affordable to Mr P. And I note that Company S – like NatWest - is also authorised and regulated by the FCA and therefore subject to similar standards and scrutiny.

So I don't think NatWest have done anything wrong here by selling the debt to Company S. I've also not seen anything to suggest NatWest haven't followed their processes to sell the debt or acted unfairly during the course of these events.

I've also considered Mr P's concerns about the refund in May 2015 which was for interest payments. I understand Mr P has challenged whether this refund happened as he has no statements that he can refer back to, or ability to check things online anymore. NatWest provided us with internal records showing that a refund was credited to Mr P's account on 19 May 2015. Either side of this entry, the ledger shows the £1 credits Mr P was making towards the account.

I appreciate Mr P's wish to have absolute certainty about this with more evidence. However, I'm satisfied, based on what I've seen that Mr P's account was credited with £155.80 on 19 May 2015. I've no reason to believe this adjustment wasn't made.

And regarding the phone call on 12 July 2016 - it's not always possible to know for certain what may or may not have been discussed. When that happens, I have to consider things on the balance of probability – so what I think most likely happened. And based on what I've seen, I think it more likely than not that the call took place on 12 July 2016. I'm aware Mr P disputes the validity of the debt notes, but I've not seen enough to make me think the call didn't take place – and I don't consider the details of the call changes whether or not it was fair of NatWest to sell the debt. So I'm afraid I can't agree with Mr P's concerns here.

### **my final decision**

I understand my findings will be a disappointment to Mr P as from the submissions I can see he's heavily invested in the complaint. However, for the reasons above my final decision is that I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 9 February 2020.

Kristina Mathews  
**ombudsman**