

## **complaint**

Mrs I has complained that National Westminster Bank Plc (Nat West) is not treating her fairly while she's having difficulties meeting her mortgage repayments.

## **background**

In May 2017, Mrs I's husband suffered a stroke, which had a significant impact on Mrs I's ability to meet her financial commitments.

Mrs I contacted Nat West – initially to let them know that the May payment would be late – and later to request a payment holiday for a few months to help her get through this difficult time.

NatWest said the mortgage terms didn't allow for payment holidays. It agreed to defer the July payment, but that would have to be recorded as an arrangement on Mrs I's credit file. It also said the term could be extended until she was 70. A longer term would reduce the monthly payments

Mrs I didn't accept this offer as she didn't feel that Nat West had been helpful.

Our investigator concluded that Nat West had engaged with Mrs I in a positive way, and did not think that it had acted unfairly. Mrs I did not agree with our investigator's view and has asked for a few months breathing space so that she can organise herself financially.

## **my findings**

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

In deciding Mrs I's complaint, there are two main issues I have considered. First, whether Nat West is obliged to offer a payment holiday under the terms of the mortgage, and second, whether Nat West has met its regulatory obligations to act fairly towards Mrs I, given her payment difficulties.

I've read the mortgage offer and I'm satisfied that Mrs I's mortgage contract does not include the facility to take payment holidays. This would normally be explicit in the mortgage offer, but it does not appear in this case.

As Mrs I is not entitled to a payment holiday the bank can record an arrangement on her credit file. This is an accurate record of the conduct of the account and is not unfair.

Turning now to Nat West's obligations, when dealing with customers experiencing financial difficulties Nat West should take steps to:

- handle matters sympathetically
- explain in a clear and fair way what it can do to help
- suggest flexible, tailored solutions, taking into account the borrower's circumstances

The first step for the bank here is usually to find out what the individual circumstances are, including income and expenditure, and, where appropriate, suggest using a debt charity. I'm satisfied that Nat West has acted correctly.

Nat West is also obliged to consider whether to offer an appropriate 'concession' based on the information that's been provided. In this case, Nat West offered to defer the July payment and to look at reducing monthly payments by extending the term. On balance, I'm satisfied that Nat West has tried to help Mrs I and has offered appropriate help in line with its obligations.

Having said that, Nat West should note that Mrs I's situation is likely to remain very difficult for some time yet, given the medical prognosis provided by Charing Cross Hospital. While I'm satisfied that Nat West has acted fairly so far, it should make sure that it continues to be flexible and meet its obligations throughout the time Mrs I is experiencing financial difficulties.

### **my final decision**

In conclusion, I do not uphold Mrs I's complaint.

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

Garry Wilkinson  
**ombudsman**