

complaint

Mr and Mrs T complain about the way National Westminster Bank Plc ("NatWest") has dealt with them in connection with debt arising from an unpaid current account overdraft and a defaulted loan account.

background

This matter goes back a number of years and NatWest has previously made refunds and sent compensation cheques to Mr and Mrs T in respect of admitted errors it made. But this hasn't resolved the complaint. Mr and Mrs T told us they're still unhappy about the following issues (which I've very briefly summarised):

- NatWest's poor administration of their debt
- NatWest treating them disrespectfully
- poor communication between NatWest and its solicitors
- long delays in NatWest responding to simple enquiries for basic information, requested by the debt management company handling their payments
- lack of transparency, inaccurate figures and flow of information, inconsistencies and unfairness in dealing with their complaints
- misleading credit agencies and NatWest not updating them on a monthly basis with accurate balances of the defaulted accounts
- NatWest recovering more money than the outstanding debt owed

When our adjudicator got involved, he agreed that NatWest should do more to try and resolve Mr and Mrs T's complaint. Following a number of discussions to try and reach an agreed settlement, our adjudicator wrote to Mr and Mrs T setting out NatWest's compensation offer.

NatWest hadn't been able to produce all the paperwork our adjudicator hoped could be made available to Mr and Mrs T. But, looked at overall, he felt the bank's offer to refund the overpayment it had worked out (£1,070.06), with interest, and pay Mr and Mrs T £900 for distress and inconvenience was fair and reasonable.

Mr and Mrs T disagree, so the complaint has been referred to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. It's completely understandable that Mr and Mrs T are unhappy about what's happened – it's clear that NatWest hasn't always handled their account as well as it should've done. But, I agree with the adjudicator for the same reasons that the suggested settlement is fair and reasonable to resolve this complaint.

Mr and Mrs T have raised a number of points in response to the adjudicator's assessment. So I'll deal with those here.

Mr and Mrs T's main complaint is about overpayments they've made and the inconsistencies in the handling of their account. As they've been given different figures on a number of occasions, they no longer feel able to have confidence in figures produced by NatWest.

This case has come to me to decide what it's fair and reasonable to expect NatWest to do to put things right. Where there's missing information I'll look at the information that is available and decide what I think is most likely.

Our adjudicator tried very hard to obtain reliable account information. System changes at NatWest mean that Mr and Mrs T's old statements can't now be reconstituted.

Instead, we asked to see Mr and Mrs T's original loan agreement so we could try and work out the figures ourselves to check if the current overpayment amount suggested by NatWest is correct.

Unfortunately, NatWest can't supply a copy of Mr and Mrs T's loan agreement as it told us it can't be found. And Mr and Mrs T can't provide their copy either. That's unfortunate. But the loan was taken out some time ago and I can't uphold Mr and Mrs T's complaint just on the basis that the loan agreement is missing at the bank.

NatWest has checked the position and told us that the *only* way a reconstituted agreement can be done is if the request is made in writing formally by the account holder. Our adjudicator passed on that information to Mr and Mrs T so it's up to them now to follow that up if they wish. It doesn't seem to me that there's anything further this service can do to assist with obtaining a copy of the original loan agreement.

And it's possible that the bank won't be able to reconstitute the agreement in any event after all this time. So I've looked carefully at what other information is available.

Like the adjudicator, I think it's fair to take into account that various different debt management companies have been involved over the years. And I think it's reasonable to expect that they would've seen full details and had the debt explained clearly when they took over managing it.

Our adjudicator mentioned that in November 2011, the debt manager helping them at the time wrote to Mrs T, detailing the level of debt with each of their accounts with NatWest. It looks like the debts with NatWest decreased roughly in line with the repayment plan that was in place, up until the debt was taken over by NatWest's solicitors.

Clearly, without all the loan statements, it's difficult to confirm *exactly* how much Mr and Mrs T have paid towards their debts. But neither NatWest nor Mr and Mrs T can supply these. And, as the debt balance would've been agreed previously with separate debt management companies, I think it's unlikely that this was incorrect up until the time figures are available.

Based on the information I've seen, I can't fairly say NatWest's overpayment calculation is unreasonable.

So I think it's fair that NatWest should pay this amount to Mr and Mrs T – plus statutory interest as it's offered to do. And I find that the revised amount of compensation it has offered (£900 in total) does fairly reflect the anxiety and stress caused to Mr and Mrs T by the way it's handled this matter.

In coming to my decision, I haven't addressed points that have already been covered by the adjudicator and I have nothing useful to add. And I haven't responded to every point mentioned by Mr and Mrs T as this wouldn't affect the outcome. I've concentrated on dealing

with what seem to me to be the main points of concern. I'm sorry if Mr and Mrs T feel this leaves some outstanding issues unanswered. But our role is to try and resolve complaints informally. So we won't necessarily carry out a more detailed investigation than we need to in order to decide what's fair and reasonable to put things right. I'm satisfied that I do have enough information to say NatWest's offer is fair and reasonable overall. I hope this helps to explain the reasons for my decision.

my final decision

My decision is that National Westminster Bank Plc should pay Mr and Mrs T as follows, as it has offered to do:

- refund overpayments of £1,070.06, plus 8% simple interest per year from 7 August 2015 (the date the debt was paid) to the date of settlement
- pay £900 overall compensation - so, taking into account payments made already, NatWest should send Mr and Mrs T the balance owing if they accept this decision
- if deductions are made (from the £900 compensation payment) NatWest should set out its workings so Mr and Mrs T can see how the end figure is arrived at. And if Mr and Mrs T are currently holding any uncashed cheques, and they have any difficulty cashing these now, they should let NatWest know so that it can issue a replacement (as mentioned in NatWest's letter 8 April 2016)

I make no other order or award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs T to accept or reject my decision before 11 August 2016.

Susan Webb
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