

## **complaint**

Mr and Mrs G complain that National Westminster Bank Plc has not sent them any correspondence about their outstanding debt to it and say that the debt should be written off.

## **background**

Mr and Mrs G had a mortgage account and a separate personal account with NatWest. They owed money to NatWest but understood that both accounts had been settled in 2012 when they sold their home. In 2013 they were contacted by debt collectors about an outstanding debt on their personal account. The letter said that NatWest had been trying to contact them about the debt. They complained to NatWest – which paid them £50 compensation - but were not satisfied with its response so complained to this service.

The adjudicator recommended that this complaint should be upheld in part. She noted that NatWest accepted that it did not contact Mr and Mrs G about their outstanding debt. She recommended that NatWest should increase the amount of compensation to £200 and that it should remove any interest and charges that were added to the account during the period that Mr and Mrs G were not contacted about their debt. She also recommended that any adverse entries added to their credit files during that period should be removed and that NatWest should contact Mr and Mrs G to arrange a suitable repayment plan for the outstanding amount.

Mr and Mrs G say that £200 is not enough to reimburse them for the solicitor's costs that they have incurred and to compensate them for their distress and inconvenience. They also say that they were not aware that they owed anything further to NatWest and believed that all of their accounts had been settled. NatWest has agreed to increase the total amount of compensation to the £200 recommended by the adjudicator but says that it should not be required to remove any adverse entries from Mr and Mrs G's credit files. It says that they should have been aware of the debt and that Mr and Mrs G should contact it to discuss their financial position.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I consider that the evidence available to me shows that Mr and Mrs G settled their mortgage account in September 2012 but that their personal account was not settled at that time and remains outstanding. NatWest accepts that it did not send any correspondence to Mr and Mrs G about their outstanding personal account debt until a letter from a debt collector in August 2013. It also accepts that the August 2013 letter incorrectly said that it had been trying to contact them about their debt when it had not done so.

These events will have undoubtedly caused Mr and Mrs G some distress and inconvenience for which they should be compensated but I am not persuaded that it would be fair or reasonable for me to require NatWest to reimburse them for their legal fees. Mr and Mrs G have had the benefit of the money that comprised the outstanding debt on their personal account and I am not persuaded that it would be fair and reasonable for me to require NatWest to write off that debt. I consider that NatWest should contact Mr and Mrs G to try to agree a repayment arrangement for the outstanding debt which takes account of their current financial position. I also consider that it should remove any adverse information that it has recorded on their credit files relating to the personal account debt after the date that their

mortgage account was settled in September 2012. NatWest says that no interest or charges have been applied to the personal account debt since that time.

Awards of compensation made by this service for distress and inconvenience tend to be modest. I consider that £200 compensation for the distress and inconvenience caused to Mr and Mrs G in these circumstances is fair and reasonable. I also consider it to be consistent with other awards of compensation made by this service where comparable amounts of distress and inconvenience have been caused.

### **my final decision**

For these reasons, my decision is that I uphold Mr and Mrs G's complaint in part. In full and final settlement of it, I order National Westminster Bank Plc to:

1. Contact Mr and Mrs G to try to agree a mutually acceptable repayment arrangement for their outstanding debt which takes account of their current financial position.
2. Remove any adverse information that has been recorded on their credit files relating to the personal account debt after the date that their mortgage account was settled in September 2012.
3. Pay a further £150 compensation to Mr and Mrs G so that the total amount of compensation that they have received for the distress and inconvenience that they have been caused totals £200.

Jarrold Hastings  
**ombudsman**