

complaint

Mr O complains that National Westminster Bank Plc has recorded adverse information on his credit file.

background

Mr O says that he took out a credit card in December 2010 to help improve his credit rating. However, a friend obtained the card and personal identification number and used them to create a balance of around £400 by February 2011.

When Mr O found out about the outstanding balance, he did not report it to the bank as he did not want to get the friend into trouble. The friend agreed to pay NatWest £40 per month to repay the account balance but, late 2011, Mr O found out that the debt had not been repaid. The friend had stopped paying the debt after three months and subsequently left the country. The account had also defaulted, with a balance of around £200 remaining, resulting in NatWest putting a marker on Mr O's credit file.

Mr O has now repaid the outstanding balance but the bank refuses to remove the default marker on his credit file.

Our adjudicator noted the impact that Mr O had described the adverse credit file entry as having on him. But repayments had stopped being made in April 2011 and the account defaulted as a result. And the adjudicator considered the bank acted appropriately in recording a default of Mr O's account regardless of the circumstances in which the debt arose and repayments stopped.

Mr O has asked that his complaint be reviewed by an ombudsman.

my findings

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

Mr O has said, in response to the adjudicator's opinion, that he was aware of the spending on the account around March 2011. He has explained the circumstances behind his friend making the transactions and what happened when Mr O found out that he had. Mr O says that he agreed to take no action other than to accept the card back from his friend, and accept that his friend would repay the debt in instalments of £40 per month. Mr O says that he arranged with the bank for that schedule of payments to be made and he received, he believes, three payment slips confirming his friend had made payments, as agreed, to the account.

Mr O says that NatWest wrote to him November 2011 about the account defaulting; Mr O realised something was amiss and he tried, unsuccessfully, to contact his friend. Mr O says that he said nothing to NatWest at that stage but a few months later tried to arrange payments to NatWest. By that stage, however, the debt had been passed to collection agents and they soon wrote to Mr O, prompting him to settle the debt.

Mr O asks that I consider this case from the perspective that he realises now that he dealt with matters incorrectly but he did not authorise the payments and in light of the difficulties he is being caused as a result of the default being registered.

I am sorry to learn of the difficulties that Mr O has experienced and, and which he continues to suffer. However, there is no dispute that the debt was created on Mr O's account and when he learned of the spending that had occurred on it, he decided to accept responsibility for its repayment. I accept that he made an arrangement for his friend to make repayment of the debt but he accepted that the debt would remain in his name, on his account. Mr O did not respond appropriately to not receiving payment slips, or being warned of the account defaulting and only belatedly made repayment of the debt himself.

In all the circumstances, I do not consider that I can fairly and reasonably say that the bank has acted inappropriately in recording that the account of Mr O has defaulted. It is open to Mr O to register a 'notice of correction' with the credit reference agencies to explain the reason for the account defaulting and he may wish to pursue this directly – but I can see no basis on which I might require NatWest to remove the default.

my final decision

My final decision is that I do not uphold this complaint.

Ray Neighbour
ombudsman