

complaint

Mr L complained because National Westminster Bank Plc sent him a default notice on his account. Mr L has medical and personal difficulties, and he believes NatWest hasn't treated him fairly as a vulnerable person.

background

Mr L has complained before about the problems he's had with his NatWest account. He'd notified NatWest in 2015 that he was temporarily off sick from work and was having financial difficulties. The bank and Mr L agreed some temporary arrangements and he was offered a refinance loan in 2016. Mr L's previous complaint was that he was unhappy about the lack of options offered when he couldn't make repayments. He was unhappy about the new loan terms, and also about the way NatWest had treated him. This service issued a view about his complaint on 31 August 2016.

We can't look at the same complaint again. So my decision doesn't consider these points again – only the new, different matters which Mr L has raised. This is the default notice, which NatWest issued on 16 December 2016, and what's happened since.

Mr L said he got NatWest's default letter in late January. He rang the bank, but wasn't happy with the advisor's response. He said the bank hadn't sent out forms and hadn't sent him copies of the calls they claimed to have made to him. He wants proof the bank tried to contact him.

Mr L said NatWest had told him to ring the debt recovery team, but after his previous experiences, he thought this was unreasonable. He's worried that if a default is registered against his name, he'll lose his job, and not have the money to be able to visit a dying relative.

NatWest said it had set out options for Mr L. But he hadn't worked with the bank to sort it out. NatWest said he could contact the debt recovery team to arrange a repayment plan, or refinance his loan. It also suggested debt charities he could approach. NatWest said it appreciated Mr L had had a difficult time. But it said that Mr L had stopped making any payments towards the debt, and it couldn't hold recovery indefinitely. The bank pointed out that it had to send accurate information to the credit reference agencies.

The adjudicator didn't uphold Mr L's complaint. He spoke to NatWest and thought its suggestion was fair. This was that if Mr L got in touch with the debt recovery team promptly, they might be able to set up an agreement which would show on his credit file as an arrangement, not a default. The adjudicator also suggested contacting the Free Independent Money Advice (FIMA). This could lead to a Common Financial Statement (CFS) which would be issued as a default but not registered, unless Mr L broke the agreement.

Mr L wasn't happy. He said he was a vulnerable customer and he didn't believe NatWest had treated him as it should have done.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As I've set out above, I'm only able to look at what's happened since Mr L's last complaint to us. I can't look right back through the

history of his loan, because that was covered in the previous complaint. So I'm looking at the period from the time of the default notice in December 2016.

I appreciate that Mr L has had a difficult time, with health issues, and a relative's terminal illness. I can see that Mr L is, as he says, a vulnerable customer. That means that a bank has to be reasonable when dealing with him. So I've looked at whether NatWest has been reasonable.

Mr L feels NatWest should provide evidence of when it tried to contact him. But I don't think there's any need for this. There's no dispute that Mr L knew about the problems on his account – indeed he approached the bank himself when he first had health issues and time off work. He's received the default notice, and he's also been given the Freephone number for the bank's debt recovery team. NatWest and the adjudicator have both suggested that he should get in touch to talk about what he can afford, and setting up an arrangement. So I find that Mr L has all the information he needs, in order to be able to get in touch and sort out his debt.

I recognise that Mr L is upset with NatWest and has said he doesn't want to speak to the debt recovery team. But he's also been given information about several debt charities, who'd try and help, and also the bank's latest suggestion, that he should approach FIMA. So he has three options:

- Contact NatWest's debt recovery team;
- Ask a debt charity to help him come to an agreement with NatWest;
- Contact FIMA, as I've set out above.

So there are options which wouldn't involve Mr L ringing NatWest direct, if he feels uncomfortable about this. But I find Mr L does need to take some action, if he's to avoid the default being registered.

Being "*reasonable*" to a vulnerable customer doesn't necessarily mean a bank won't register a default, or record adverse information on his credit file. Banks do have a duty to record accurate information about how all customers have managed their accounts. I note that NatWest didn't register the default straightaway, and it has told him about several ways of getting in touch to sort things out. So I find that NatWest has been fair and reasonable towards Mr L.

I'm sorry that Mr L has had a difficult time with health and personal issues, and I sympathise with him. I hope that he'll be able to use one of these routes to come to a suitable agreement with NatWest. But I don't find that the bank has done anything wrong in issuing the December 2016 default notice, or the way it's dealt with Mr L since then.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 April 2017.

Belinda Knight

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