

complaint

Mr E complained that National Westminster Bank Plc pursued him for a debt arising from a loan that was applied for in his name fraudulently. Subsequently, NatWest said it would remove a default it had placed on his credit file; however this was not done leading to him being declined for lending, unable to obtain a mortgage and unable open an account with any UK bank.

Mr E has sought compensation from NatWest in recognition of the seven years over which he was asked to repay the debt by the bank and the amount of distress and inconvenience it caused him.

background

This complaint has a long history of the bank pursuing Mr E for repayment of the debt even after it had agreed to remove all liability for the debt from Mr E's name, after the issue was dealt with in court. A default was placed on Mr E's credit file in 2008, inappropriately, and the adverse data was on the credit file for six years, only being naturally removed by the credit reference agencies at the end of January 2014.

I hope that Mr E will not interpret the brevity with which I describe here the dealings between Mr E and the bank, and the impact the bank's actions have had on him, as representing a lack of consideration of the importance of his complaint to him or disrespectful to the relevance of the events. I recognise that Mr E has strong feelings about his complaint and the extent to which the bank's actions have caused him distress and inconvenience.

However, the events are largely not disputed and our adjudicator has set them out previously for the parties to have sight of. The issue for me to determine is what the bank ought to do now in recognition of its inappropriate actions of the past. Of course, I have read carefully all the evidence submitted of past events but I need not repeat it all here.

In short, though, the adjudicator considered NatWest had wrongly recorded the adverse data and should have removed it at the first instance of Mr E complaining. She said it was not fair or reasonable that it continued to deal with Mr E as if he was liable after a court ordered it not to.

And the bank's actions had further tarnished Mr E's credit file and his own personal confidence in financial organisations, to the point where this matter was affecting him personally and emotionally. The adjudicator recommended that NatWest pay considerably more than it had ever previously offered to do.

NatWest agreed to:

- pay Mr E £2,000 for the distress and inconvenience he has been caused; and
- remove Mr E's name from the loan account.

Mr E has indicated that he would accept the payment of £2,000 as compensation and the removal of his name from the loan account. However, there is also an £8,000 debt on an existing joint current account Mr E held with his ex-wife. Mr E is disputing the extent to which he should be responsible for that debt and would like his concerns about that to be dealt with before he settles his complaint about the loan account.

But the complaint referred here was only in respect of the loan account and the adjudicator said he should deal with the matter of the current account separately, referring a fresh complaint about the current account here in the future as necessary.

Mr E also declines to accept the offered settlement about the loan account on the basis that he would like NatWest to provide to him a mortgage account. But NatWest has indicated that it is not likely to agree to that and the adjudicator also said that this would be a commercial judgement for the bank to make and not one that she would require the bank to make in Mr E's favour.

Mr E would like an ombudsman to review his complaint.

my findings

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

There is no doubt that the bank has caused Mr E a highly significant level of distress and inconvenience over a number of years. But I consider that compensation of £2,000 is appropriate in recognition of what Mr E has suffered. And Mr E's name has now been removed from the loan account so I need make no comment about that.

As regards to Mr E wanting NatWest to provide a mortgage account to him, I agree with what the adjudicator said about this matter in that a decision to provide such an account to a consumer is a commercial judgement to be made by the bank. And I would not interfere with any commercial judgement unless I was to take the view that the judgement had not been exercised legitimately. In this case, the bank has not formally considered an application for an account so there is no judgement for me to consider and I would not expect the bank to make a judgement before an application has been made. I also do not consider that I can fairly and reasonably require the bank to provide an account to settle this complaint despite the level of service Mr E has received.

Finally, Mr E is seeking that I make a decision about the debt that exists on the joint current account. This was not part of the complaint that was originally referred here in September 2012 and I cannot determine a complaint where the bank has not already been given the opportunity to respond to it. I do consider that I can fairly and reasonably determine those matters that were referred in September 2012 without considering the joint current account debt and therefore will do so and leave Mr E to raise separately with NatWest a new complaint about the current account debt, if he wishes to do so. And, of course, in the event that Mr E is not happy with the outcome of that new complaint, this decision does not itself interfere with any future referral here of that complaint.

my final decision

In light of all I have said, my final decision is that I uphold this complaint and require National Westminster Bank Plc to pay £2,000 to Mr E in full and final settlement of his complaint.

Ray Neighbour
ombudsman