

complaint

Mr C has complained about National Westminster Bank Plc's ('NatWest') decision to close his credit card account, which has had an impact on his credit file.

background

Mr C held a credit card account with NatWest. He had a repayment plan in place and the debt owed was reported on his credit file as delinquent debt. In June 2016, Mr C cleared the debt in full. Shortly afterwards, NatWest closed the account.

Mr C complained, saying that because NatWest had closed the account this would be reflected on his credit file for six years. He said NatWest hadn't told him it was going to close the account. And if he'd known this was what it intended, he wouldn't have paid off the debt and would've continued with the repayment plan.

NatWest didn't agree that it'd done anything wrong. It explained that it had declined to issue a new card to Mr C in March 2016, in line with the terms and conditions of the account. It said a letter would've been issued to him. NatWest explained the account would be closed as soon as any outstanding debt was settled.

Mr C brought his complaint to us. He said if the account had remained open, the information would only be visible for 12 months. He maintained that he wouldn't have settled the debt if he'd known the account would be closed.

Our investigator didn't uphold Mr C's complaint. He thought it was likely NatWest had sent Mr C a letter explaining that a new card had been declined and the account would be closed on settlement. He also didn't think he could say Mr C wouldn't have cleared the debt if he'd known the account would be closed.

Mr C disagreed. He said it wasn't fair to assume that NatWest informed him of its intention to close the account. He said he'd provided evidence to show that he wouldn't have paid off the debt in full if this meant his account would be closed. As no agreement could be reached, the complaint was referred to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not upholding this complaint. I realise this will be disappointing for Mr C.

Under the terms of Mr C's account, NatWest can restrict or withdraw the use of any card or the account if the terms of the agreement are broken. The terms say notice will be given.

Under the agreement, Mr C is required to pay the minimum payment each month. NatWest has sent us statements from the 12 months before the account was closed. These show that Mr C wasn't making the minimum repayment each month. So, under the terms, NatWest was entitled to decline a new card and close the account.

Mr C says he wasn't informed of any of this. Unfortunately, NatWest isn't able to provide copies of any letters sent to Mr C. But it's said that such letters are automatically generated. Mr C says it isn't fair to assume the process was followed in his case. But, in the absence of

evidence to show what has actually happened, I have to think about what most likely happened. And because the letter was automatically generated, I think it's most likely that it was sent to Mr C. But in any event, the terms and conditions explained what would happen if the terms of the agreement were broken. And I would've expected Mr C to have been given the terms when he opened the account.

But even if Mr C definitely didn't know his account would be closed, I don't think I could say he would've acted any differently. Ultimately, Mr C was in a position to clear his debt in June 2016 and chose to do so. And if he didn't pay off the debt, the information would've still been visible on his credit file for as long as the debt was outstanding. Mr C says he's shown us that he wouldn't have taken the action he did and has referred to payments on another account. But I don't think I've seen strong enough evidence to say Mr C wouldn't have paid off the debt with NatWest when he did. So, overall, I think it's unlikely he'd be in a different position.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 June 2017.

Hannah Wise
ombudsman