

complaint

Miss T complains about the problems she experienced when she asked National Westminster Bank Plc ('NatWest') to set up a payment instruction.

background

Miss T had a large balance on her credit card. She was experiencing some financial difficulty so she spoke to NatWest to discuss repayment options. But in August 2017 there were difficulties in setting up a standing order. It took a long time to put in place and Miss T says she was charged late payment fees and interest. Miss T would like to be put back in the position she was in before the mistakes. She's concerned about her credit score. And she doesn't want NatWest to add any further interest or charges. She wants compensation for the trouble and upset caused.

NatWest said Miss T contacted it in May 2017 to say she was experiencing financial difficulties. NatWest agreed to put the account on hold but a standing order for £77 still went through. So NatWest transferred the funds back to Miss T. Although interest was still charged the bank waived the late payment and over limit fees.

A new repayment plan was agreed. NatWest said it'd listened to the call in September 2017. And Miss T hadn't asked for a standing order. She'd made manual payments in October and November 2017. But NatWest apologised that Miss T hadn't received a call back when she'd complained the order hadn't been set up.

Miss T wasn't satisfied with NatWest's response. So she contacted our service and our investigator looked into the matter. He listened to the call in September 2017 and he didn't think a standing order had been requested. But he agreed it must've been frustrating when NatWest didn't call back after Miss T complained. He felt NatWest had acted fairly by removing late payment markers and refunding some of the charges and interest. Miss T didn't agree. She felt NatWest had misled her. And she'd wasted a number of calls trying to sort things out. So she's asked for an ombudsman's 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.

It's clear Miss T is unhappy with how NatWest has handled her payment instructions. And she's concerned how it will affect her credit rating. So I've looked carefully at everything that's happened. Our investigator provided a comprehensive timeline in his view so I won't repeat everything that's happened here. But I'll address the relevant points Miss T has made about her complaint.

Miss T has a large balance on her credit card. And she'd been making payments to reduce the amount owing. But there were a few difficulties organising the payments. So I've looked at what NatWest has done to put things right.

When Miss T asked for some breathing space in June 2017 NatWest didn't notice a standing order had just been put in place. But it quickly refunded the payment to Miss T's account. And a refund of interest was made in August 2017. Further interest and a late payment charge was refunded in September when a short term payment plan was put in place.

Miss T agreed to repay £78 each month for seven months and NatWest agreed to waive any interest during the period. Miss T thought a standing order was being put in place but there's nothing to confirm this during her telephone call to NatWest. So she made manual payments for a couple of months while the standing order was created. I realise Miss T was frustrated as she thought the standing order should've been in place earlier. And NatWest didn't respond when she queried it the following month. NatWest has apologised for not calling Miss T back. And I've not seen anything to confirm the standing order should've been put in place following Miss T's original discussion.

When NatWest became aware of Miss T's financial difficulties I would expect it to respond positively and sympathetically. And I realise Miss T feels frustrated by the amount of time it has taken to sort things out. She feels the refunds were because of NatWest's mistakes. But I think NatWest has tried to act sympathetically towards Miss T. It's refunded and waived a number of charges over the period. And it agreed to put the account on hold while Miss T started a new job. NatWest has also agreed repayment plans to reduce the balance below the agreed limit. I realise Miss T doesn't want to be charged any further fees or interest. But once she reduces her balance below the credit limit I would expect NatWest to apply interest and charges in line with the terms and conditions of the account.

Miss T is also concerned about the impact on her credit file. NatWest has a responsibility to report how the account has been managed to the credit agencies. But it has agreed to remove the late payment markers from July to September 2017 and I think that's a reasonable response. But if Miss T isn't able to make her payments moving forwards I don't think it would be unfair for NatWest to report any missed payments in the future.

I realise Miss T is upset by NatWest's failure to call her back about the standing order. Miss T had told NatWest she would be abroad for a short while so a call would be better than a letter. When it didn't happen Miss T had to make further calls to sort things out. I can understand her frustration. But, based on what I've seen, I think NatWest has responded positively to Miss T's circumstances by waiving and refunding fees and charges it might've applied to the account. So I don't think it would be fair to ask NatWest to pay any compensation for failing to return her call.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 19 October 2018.

Andrew Mason
ombudsman