

complaint

Mr W complains National Westminster Bank Plc wrongly recorded a default against his credit record and he was refused a mortgage as a result.

our initial conclusions

Natwest accepts it recorded the default four months after it should have. It corrected Mr W's credit file and paid him £50 compensation. Our adjudicator considers that's fair. He's satisfied Natwest was entitled to register the default - because Mr W entered an Individual Voluntary Arrangement ("IVA"). And if the bank had registered the default properly it would still have been on Mr W's credit record when he applied for the mortgage. So his application wasn't refused because Natwest recorded the default late.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr W and NatWest have provided. I'm satisfied that when a customer enters an IVA a bank is entitled to record a default against his credit record – which remains on file for six years.

Natwest should have recorded the default on 29 November 2007 - the date of the IVA. And it would have stayed on Mr W's credit file until 28 November 2013. But Mr W applied for his preferred mortgage 13 days before that. So I'm not persuaded that Natwest's mistake - the late registration - caused Mr W to be refused the lower cost mortgage. And I agree with our adjudicator that the £50 Natwest has already paid Mr W is fair.

I realise Mr W made similar complaints to other lenders. And some have responded differently - so he says Natwest should pay more compensation. But I make my decision on the facts of Mr W's complaint against Natwest. And I can't properly take the actions of other lenders into account. Natwest has corrected Mr W's credit record. And I'm satisfied it has paid reasonable compensation so can't fairly require the bank to do more.

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W either to accept or reject my decision before 30 December 2014.

Claire Jackson

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.