

complaint

Mr S complains that National Westminster Bank Plc will not mark his debt as settled, even though it is not actively pursuing him for payment.

our initial conclusions

The adjudicator didn't recommend that the complaint should be upheld, saying that as Mr S still owes money to NatWest, the bank doesn't have to mark the debt as settled.

Mr S said that he hadn't heard from NatWest for a number of years. He only realised recently that NatWest had registered the default against him when he checked his credit file. Mr S says that as NatWest is not pursuing him for the outstanding overdraft, it should amend his credit file.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr S and NatWest have provided.

I have seen copies of Mr S's bank statements. The last credit to Mr S's account was paid in December 2008. At this time, his account was overdrawn but the overdraft was interest free for a fixed period. Once interest started to be applied in August 2010, Mr S exceeded his overdraft limit. NatWest has given me copies of its internal notes that show it tried to contact Mr S on a number of occasions between 2008 and 2010. But it appears Mr S might have moved without telling NatWest.

Mr S completed a change of address form in September 2010 and NatWest spoke with him to discuss repayment of the debt. Mr S told the bank he was unable to pay anything and appeared unwilling to discuss any kind of repayment plan. He said he would pay something once he had a job but couldn't give any indication of when that might be. I am satisfied that following these calls, NatWest sent Mr S a default notice and letter of demand. So in the circumstances, I find that NatWest acted reasonably when it registered a default on his account after first giving proper warning.

NatWest has taken a commercial view and written off the debt, as it doesn't think it's likely that Mr S can repay it. But this doesn't mean that the bank should be required to mark the debt as settled. So although I appreciate the default is making it hard for Mr S to obtain a mortgage, I can't fairly require NatWest to amend Mr S's credit file. **My decision is that I don't uphold this complaint.**

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S either to accept or reject my decision before 17 March 2015.

Gemma Bowen

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

Where the evidence is incomplete or contradictory (as some of it is here), I reach my decision on a balance of probabilities – that is to say, what I consider is most likely to have happened in the light of the evidence that is available and the wider surrounding circumstances.

Mr S is entitled to contact the credit reference agencies himself to add a *“Notice of Correction”* in which he can explain the debt has been written off by the bank.

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.