

complaint

Ms T complains that National Westminster Bank Plc didn't remove her name from a joint loan she held with her ex-husband. She says the bank didn't tell her that her ex-husband hadn't kept up with the loan repayments and complains that her credit file has been affected because of this.

background

Ms T and her ex-husband took out a loan with the bank. When they separated some time later, Ms T says her ex-husband agreed to take responsibility for the loan. She says she told the bank and it agreed to remove her name from the loan.

The loan fell into arrears, but Ms T says she didn't receive any letters about this. She says she found out what had happened when she looked at her credit file to see a default registered against her name. She complained to the bank.

The bank has apologised that it didn't remove Ms T's name from the loan, but said that this isn't something it would usually do. It says it didn't need to write to Ms T while the loan was being repaid. But it says it did contact both Ms T and her ex-husband at the addresses it had on its records when the loan fell into arrears. It says it didn't receive a response to the letters.

Our adjudicator found that Ms T and her ex-husband were jointly and severally liable for the loan, so the bank was entitled to register a default in Ms T's name because the loan hadn't been repaid. He thought the bank had written to Ms T at the address it had on its records which was the correct address for her at the time. Although Ms T says she hasn't received those letters our adjudicator thought the bank shouldn't be held responsible for that.

Ms T is not happy with the adjudicator's findings. She insists she hasn't received any letters from the bank for the last five years.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Ms T doesn't dispute the loan was taken out on a joint basis. This means that both borrowers are jointly and severally liable to pay the money.

The bank seems to accept that it told Ms T that it would remove her name from the loan. But it also says this isn't something it could have done, and it can't find any documentary evidence of an agreement having been reached. It does seem to me unlikely that the bank would have agreed to remove Ms T's name so readily just because she asked it to.

The bank says that before it removes someone's name from a loan it has to check whether the remaining party can afford to pay the loan. In this case it seems unlikely that Ms T's ex-husband would have been able to meet the requirements of the loan himself because he wasn't able to keep to the repayment plan anyway. So I think it's unlikely the bank would have removed Ms T's name from the loan.

The bank says it contacted Ms T after her ex-husband missed the first payment. It says it sent letters to both parties. The bank has provided me with records showing letters were sent, as well as templates of the letters. So I'm satisfied it did send letters to Ms T. Ms T changed her address in June 2008. And I can see she updated the bank, so the bank did have her correct address on its records. So I'm also satisfied the bank sent the letters to the right address.

Ms T wants the bank to remove the default from her credit file. I'm satisfied that the bank was entitled to record the default on the credit file. It does reflect what happened and so I don't think I can fairly tell the bank to remove it.

I know that Ms T will be disappointed but I don't uphold her complaint.

my final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 9 November 2015.

Elena Feeney
ombudsman