

complaint

Mr B complains that National Westminster Bank Plc "NatWest" allowed him to use his overdraft facility on 21 and 22 August 2018 even though he had cancelled it during business hours on 21 August 2018. He feels that he shouldn't have to repay the subsequent overdraft.

background

On 6 August 2018 Mr B contacted NatWest to arrange a repayment plan as he was having difficulties making the monthly interest repayments on his current account. The bank agreed this after making the necessary affordability checks and Mr B agreed to pay back £20 per month towards his interest. On 7 August Mr B called the bank cancelling the repayment plan because he said his father was going to pay the already agreed £65 per month.

On 21 August Mr B cancelled his overdraft facility on line so that he couldn't use it further to gamble. He said he expected the cancellation to happen immediately but it didn't. Mr B says that because it wasn't immediately cancelled he used his overdraft to incur additional gambling debts later on 21 August and then on 22 August before the cancellation request was implemented.

Mr B wrote to NatWest on 29 August 2018 about his ongoing financial difficulties. He shared that he had mental health issues and a gambling addiction but that he was now receiving professional help and was recovering. He enclosed a detailed breakdown of his income and expenditure including his debts to other creditors. He asked that the bank stop the accrual of interest on his account and agree to a new repayment plan. The bank agreed.

Mr B complained to the bank in September 2018 because he felt the overdraft should've been reduced to £0 immediately he made the application. He also felt that the bank shouldn't have allowed him to spend his overdraft given his mental health concerns. But the bank didn't uphold his complaint because although the cancellation was made on 21 August the system needed to update and that was completed on 22 August. Also the payments that Mr B claimed shouldn't have been allowed were for Point of Sale services which the bank has to honour.

Mr B was unhappy with this outcome so he brought his complaint to our services in December 2018. Our investigator looked into the matter but didn't uphold the complaint and felt the bank had acted fairly. She found no evidence that Mr B had informed the bank of his mental illness or gambling problems or the seriousness of his situation prior to cancelling his overdraft on 21 August.

Mr B was unhappy with this decision and so it has been passed to me to decide.

my findings

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

I listened to the phone call of 6 August. In it Mr B says he was having difficulties with work and home life. He said he needed to arrange a repayment plan to reduce payments for 6 – 12 months. There was no mention of mental ill health or gambling addiction. The bank conducted its normal checks and offered him a repayment plan which Mr B accepted.

Mr B called the bank on 7 August to cancel the repayment plan. Again Mr B doesn't mention his mental ill health or gambling addiction.

Although Mr B says that he made the bank aware of his health issues and gambling addiction during the phone calls he didn't. I can appreciate that at the time he may have been under a great deal of pressure and so may have thought he had shared his difficulties. Unfortunately he didn't so the bank couldn't be expected to have taken those into consideration.

I realise that Mr B thought the cancellation of his overdraft would happen immediately. But NatWest has shown us that it provides information about the process on its website when a customer makes this request online. This states that if you submit your request online and *"apply Mon - Thurs before 5.30pm, we'll cancel your limit the next working day"* This is what the bank did, so I think NatWest provided enough information for Mr B to have been aware that this wasn't an immediate process.

The bank had suggested that he open a basic current account that has no overdraft facility to prevent this situation but he decided not to. Having cancelled his overdraft Mr B took the decision to not only use his overdraft facility but also to transfer additional funds in order to gamble. I don't feel that the bank can be blamed or held responsible for the resulting expenditure. The bank has tried to assist him further by freezing the accrual of interest and further charges and agreeing a repayment plan that Mr B agrees is affordable. In all the circumstance I feel that the bank has dealt with Mr B's complaint fairly.

my final decision

For the reasons I have explained my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 May 2019.

Constantia Pennie
Ombudsman