

complaint

Ms T complains that National Westminster Bank Plc will not agree to a further mortgage advance.

our initial conclusions

Ms T asked NatWest if it would lend her an additional £15,000 on her mortgage, to provide her with some breathing space whilst she recommenced her business. She says that she has considerable equity and so the bank is not at any risk, yet it has refused to assist.

The adjudicator did not recommend that this complaint should be upheld. She concluded that NatWest is entitled to decide for itself whether or not to lend.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Ms T and NatWest have provided. Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given.

I appreciate Ms T's frustration in that she only wants to borrow what she considers is a small additional amount on her mortgage in relation to the equity that she has in the property. She says this will give her sufficient money to ensure that she can make the monthly repayments to the mortgage and give her stability whilst she re-establishes her business. She does not consider that NatWest will be at any risk by agreeing because of the substantial equity in her property. However, NatWest has explained that it was not able to consider her request to increase her borrowing because she had not been self-employed for a minimum of two years. In addition, it is not its policy to lend money on a personal mortgage for business purposes. As an alternative, it has suggested that she could apply for a business loan. Whilst Ms T may feel aggrieved and disagree with NatWest's reasoning and decisions not to lend her the money, I consider that a lender is entitled to decide for itself whether or not to lend. This is the legitimate exercise of its commercial judgement, with which I cannot properly interfere.

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

Under the rules of the Financial Ombudsman Service, I am required to ask Ms T either to accept or reject my decision before 23 June 2014.

Karen Wharton
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

If Ms T is now experiencing financial difficulties, I would urge her to contact NatWest to agree a suitable repayment plan, if she has not already done so. I would also remind the bank of its duty to treat her positively and sympathetically.

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.