

## **complaint**

Miss M complains about the service provided by National Westminster Bank Plc to a company of which she was a director. She wants a refund of charges made by the bank on the company's account, and compensation for the time and trouble it has taken her to try and resolve various issues relating to both the company's account and her personal guarantee for the company's liabilities.

## **background**

Miss M was the director of a limited company which banked with National Westminster. She was very disappointed with the service provided to the company, and said that it failed to meet the promises given by the bank, such as providing ongoing business support and a dedicated business manager. She also says that the bank did not reply to correspondence and made mistakes in collecting monthly loan repayments.

Our adjudicator explained that we could not consider most parts of Miss M's complaint, because they related to the way the bank had managed the company's accounts. The company had been dissolved and Miss M could not now raise a complaint on its behalf, because she was no longer a director.

This meant that we could only consider the parts of the complaint relating to Miss M's guarantee of the company's debt to the bank – that it had not sent formal demand for payment under the guarantee, that it was wrongly charging interest on the debt, and was unreasonably harassing her for payment. The adjudicator did not recommend that these complaints should be upheld. She said, in summary, that she was satisfied that National Westminster had sent formal demand to Miss M for her to repay the company's debt under her guarantee, and that the bank could not be held responsible for any failure of the postal service to deliver that correspondence. She also explained that the guarantee terms allowed the bank to charge Miss M interest on the guaranteed debt until payment, and that the bank was entitled to ask for Miss M's payment proposals.

However, since our involvement National Westminster recognised that there had been a delay in it transferring the management of the company's debt to its central collections department, and it offered to reduce the outstanding company debt, for which Miss M was responsible under her guarantee, by £613.93 – representing the additional interest arising during the delayed transfer. Our adjudicator explained that this offer was in line with, if not greater than, what we would normally ask the bank to refund in similar circumstances.

Miss M did not accept the adjudicator's conclusions. She considered the interest refund inadequate compensation, and again referred to the failure of the bank to provide a single, consistent point of contact, its collection of company loan repayments, and what she considered to be personal harassment by the bank in requiring her repayment proposals under her guarantee. Our adjudicator responded to these points to explain that the loan repayments were taken from the company's current account and not Miss M's personal account – so we could not consider that complaint. She also said that it was for the bank to decide how its collections department operated, including whether it would have face-to-face meetings and what efforts it made to keep Miss M informed of her liability to the bank. She did not consider the bank had been unreasonably slow in responding to Miss M's complaint, which was another issue Miss M had raised.

Miss M continued not to accept the adjudicator's conclusions.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

As the adjudicator has already explained, many parts of Miss M's complaint relate to the bank's treatment of a company which has since been dissolved. I am afraid it is simply not possible for me to consider those issues, and all I can look at here are matters relating to Miss M's personal guarantee of the company's debt.

On these, I find that the bank has acted fairly and reasonably. It is for National Westminster to exercise its commercial judgement in deciding how to operate its collections activities, and if it chooses not to have face-to-face meetings I cannot require it to do so. I am satisfied that the bank has sent the appropriate formal correspondence to Miss M about the guaranteed debt, and while she may consider it harassment for the bank to send her letters and contact her by other means about repaying that debt I do not consider this unreasonable in the circumstances.

I am satisfied that the guarantee given by Miss M does allow the bank to charge interest on the outstanding debt until payment. Miss M has not disputed that she gave that guarantee, and I do not consider the bank to be in breach of any codes of conduct by adding interest.

I also consider that the time National Westminster took to respond to Miss M's complaint was not excessive – being only a little over the eight weeks normally allowed for response.

It is therefore my view that the bank has not made any errors relating to Miss M's personal guarantee. The bank has offered to reduce the debt due because there was a delay in moving management of the company's debt to its collections department, and I consider this to be a fair and reasonable offer. I do not consider any further debt reduction or financial compensation to Miss M is appropriate.

### **my final decision**

My decision is that I do not uphold the parts of Miss M's complaint that this service is able to consider, and I now leave it to her to decide whether to accept the bank's offer to reduce the debt due for payment by £613.93.

Malcolm Rogers  
**ombudsman**