

## **complaint**

Ms R complains that National Westminster Bank Plc didn't keep to its agreement to remove a default that it had entered against her. And Ms R is unhappy at receiving debt recovery letters.

## **background**

Briefly, Ms R complained to this service about NatWest a few years ago. NatWest agreed to reduce the remaining balance of her loan, accept monthly payments to reduce the debt without interest and charges being applied and remove the default it had registered.

In early 2015, Ms R found out that the default hadn't been removed from her credit file. And although she was paying the agreed monthly instalment, Ms R continued to receive debt collection letters.

NatWest offered to pay Ms R £150 by way of an apology for not removing the default as agreed. Our adjudicator didn't think that this offer was high enough. NatWest agreed to remove the default and pay £500. Our adjudicator considered this to be a fair offer.

Ms R is unhappy with the bank's offer to pay £500. She doesn't think that it adequately reflects the time that she has spent dealing with the bank's mistake. And the upset she has felt as a result of the debt collection letters. Ms R would like NatWest to reduce the balance on her loan by £1,000 as it did in 2013. And she would like it to pay compensation of between £500 and £1,000 in recognition of the distress she has suffered.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of our adjudicator.

I agree the bank made a mistake when it didn't remove the default as agreed in 2013. But Ms R didn't become aware of this until the gas company told her that she had failed a credit check in May 2015. This suggests the default hadn't had an adverse impact on Ms R during the intervening period.

The bank accepts that it made a mistake when it didn't remove the default as agreed. I understand NatWest has now removed the entry from Ms R's credit file and replaced it with an arrangement to pay from September 2015. NatWest has also confirmed that Ms R will no longer receive debt collection letters as long as she makes the payments under the arrangement.

Ms R says that she felt embarrassed when she had to ask her landlord help sort out her gas supply until her credit file is amended. Ms R also says she and her partner have delayed applying for a mortgage until the situation is resolved. I don't underestimate Ms R's strength of feeling and upset as a result of the default not being removed as agreed. But the bank's offer comes within the substantial band of awards that this service can make. This reflects the serious impact the bank's mistake has had on Ms R.

As our adjudicator has already explained, it isn't the role of this service to punish NatWest. I appreciate that Ms R would like NatWest to pay more to reflect the fact that the complaint

goes back to 2011. But I have to look at the impact of the bank's failure to remove the default as agreed in 2013. And the upset Ms R has felt as a result of receiving the debt collection letters. As Ms R wasn't aware of the default until earlier this year, I find the fact the bank has apologised, amended her credit file and offered to pay £500 is reasonable. The debt collection letters should also stop. I don't consider it fair to require the bank to pay the level of compensation Ms R has indicated she would accept.

**my final decision**

My decision is that I uphold this complaint and direct National Westminster Bank Plc to pay Ms R £500 in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 2 November 2015.

Gemma Bowen  
**ombudsman**