

complaint

Mrs G complains that National Westminster Bank Plc is holding her responsible for an overdraft debt that she says she did not agree to. Mrs G wants NatWest to stop pursuing her for the debt.

background

Mrs G's husband died suddenly in September 2011. After his death, she became aware of a number of debts – in her late husband's sole name and an overdraft on a current account that her name had been added to. Mrs G said she was not aware of these debts and had not signed the form adding her name to make the current account a joint one.

Although she advised NatWest of her husband's death, Mrs G continued to receive numerous pieces of correspondence about his affairs, including the above debts, from the bank. NatWest agreed that it had not handled matters well and tried to put things right – not always successfully. Indeed, it compounded Mrs G's problems by mis-handling her own (separate) business account. The bank paid Mrs G £100 compensation – and later increased this to an offer of £350 – for the obvious distress she had suffered as a result of these errors.

Our adjudicator investigated Mrs G's complaint and considered the bank's offer of compensation was not enough and recommended it be increased to a total of £750. NatWest agreed to pay this higher amount. Mrs G did not agree with the adjudicator's view so the matter has been referred to an ombudsman for a final decision.

In rejecting the adjudicator's view, Mrs G emphasised that receiving compensation was not her main concern; rather that she was still being held responsible for the debt arising from the overdraft on the (joint) current account – and that interest was being added to it. She said she had not signed the form adding her name to the account – and NatWest had confirmed no debit card in her name had been used on the account.

Despite this, Mrs G had made efforts to significantly reduce the amount of money owed. But she could no longer do so – her savings were gone and she was concerned NatWest would try and take money from her joint account with her new business partner.

my findings

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

This has clearly been a distressing situation for Mrs G. Not only has she had to deal with the sudden death of her husband but it is clear that NatWest's actions have added greatly to the problems she has had to deal with. I consider that the bank has treated her very badly. NatWest has acknowledged this and I am pleased it has agreed to pay Mrs G the significantly increased amount of compensation proposed by the adjudicator. I believe this is an appropriate response to the various failures in service Mrs G has suffered.

I must address Mrs G's concern about the debt created through the overdraft on the current account. I have reviewed the form adding her name to (what was previously) her late husband's account. I am not a handwriting expert but the signature looks very much like

hers. She says that her husband forged her signature. I accept this is possible – but, sadly, we now have no way of finding out.

Without any evidence to say otherwise, NatWest was correct to make Mrs G responsible for the overdraft. Joint account holders are equally responsible for any debts incurred – and the account would transfer to Mrs G's sole name following the death of her husband. Some of the payments made from the (overdrawn) balance of the account appear to be for normal household expenditure. So it could easily be argued that Mrs G benefitted from – at least – some of the money.

And I do find it strange that Mrs G made payments to significantly reduce the debt. If she believed the debt was genuinely not hers, I would not expect her to do this. So I can see why NatWest would consider Mrs G should be responsible for the remaining debt. This seems fair and reasonable in the circumstances.

But I think NatWest could do things to help resolve the situation. It has a responsibility to treat borrowers who are in financial difficulty – as Mrs G says she is – positively and sympathetically. Bearing in mind the particular circumstances of this case – I do not think it has yet demonstrated it has done enough in this regard.

If she has not already done so, Mrs G should provide NatWest with a detailed breakdown of her income and expenditure. Mrs G and NatWest will then be able to agree what amount Mrs G is able to pay each month to clear the overdrawn balance. When doing so, care should be taken to ensure that Mrs G's new business partner is not personally affected.

When agreeing the way forward, NatWest should consider whether freezing interest and charges on the debt will enable the principal sum owed to be repaid in a timelier manner. And it should consider whether it can reconstruct (what is now) Mrs G's account so that the interest and charges were frozen from the date of her husband's death.

But – for the avoidance of doubt – I do not believe I can fairly direct the bank that it must freeze the interest and charges, or from what date. And Mrs G needs to be aware that any agreement to do so may mean NatWest could – rightly – record its decision on her credit file. This may have implications for Mrs G and it is something she should seek advice on at the appropriate time.

Mrs G should consider using the balance of my award of compensation to reduce the amount owed to NatWest. This would further demonstrate her commitment to reaching a satisfactory resolution to the matter.

I do not doubt the strength of feeling Mrs G has about this matter. NatWest has made an already difficult situation much worse. But it has recognised its failings and agreed to pay compensation accordingly.

I realise my decision does not give Mrs G the outcome she was seeking – and this may disappoint her. But I trust that NatWest will now work with her to find a way forward. And I encourage her to engage actively with the bank in doing so.

my final decision

For the reasons I have given, my final decision is that I order National Westminster Bank Plc to pay £650 (in addition to the £100 already paid) to Mrs G – either direct to her or to reduce the amount of her debt, whichever she chooses.

Andrew Davies
ombudsman