

## **complaint**

Ms W complains that after clearing her outstanding debts National Westminster Bank Plc didn't close her account and this has negatively impacted on her credit record.

## **background**

Ms W's account was transferred to NatWest's recoveries department in March 2011. She settled the debt in September 2013 but this left a credit balance so the bank couldn't close her account. It wrote to her several times but it hadn't updated her address. When she contacted it to complain about her credit record it transferred the credit balance to her, agreed to remove the default from her credit record and the bad debt marker from its internal records. And it paid her £75 compensation for the trouble and upset it'd caused.

The adjudicator thought the bank should pay an additional £25 compensation. And 8% simple interest on the credit balance for the time Ms W was deprived of her money. The bank calculated this as being £123.42 net of tax (in line with HM Revenue and Customs (HMRC) regulations).

NatWest agreed to this but Ms W said it should pay her substantially more compensation.

## **my findings**

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

NatWest applied the default when Ms W's account was transferred to its recoveries department in 2011 and because it's under a duty to report any adverse information I don't think it was wrong to do this.

It seems that when Ms W paid off the debt in 2013 she unknowingly left a credit balance. NatWest should've updated her address on its records and that would've allowed it to return the credit balance to her immediately. It didn't do that and it accepts this was a mistake. But I'm satisfied that this situation didn't have a negative impact on her credit record because the adverse information was there from 2011.

NatWest has already transferred the credit balance back to Ms W. And it's agreed to pay her the interest on the money in her account for the time she didn't have access to it. It's also removed the default on her credit record and its internal bad debt marker even though it applied both correctly. In those circumstances I can't fairly ask it to do more or pay her more compensation.

**my final decision**

My decision is that National Westminster Plc should pay Ms W

- £25 in addition to the £75 it's already paid her for the trouble and upset it's caused
- and £123.42 which is 8% interest on the credit balance for the time Ms W wasn't able to access it. It should provide her with a tax deduction certificate so if she isn't a taxpayer she can use it to claim the tax back from HMRC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 14 March 2017.

Linda Freestone  
**ombudsman**