

## **complaint**

Mr D complains that National Westminster Bank Plc ("NatWest") has not administered his accounts properly when he has been away overseas for periods of time, failing to put in place an agreed debt consolidation and sending default and closure notices when it knew he was away.

## **background**

Mr D maintained an account for his small business, but the business ceased trading when he took a job which required him to travel abroad for periods of time. He says that he tried to contact NatWest about this before leaving the United Kingdom.

While he was away, Mr D was sent notices on his accounts telling him he was in arrears of payment. When Mr D returned to the United Kingdom he says he asked NatWest to consolidate his overdraft, business loan and credit card debts and went away again under the impression that had been agreed.

Mr D received a telephone call to say that he was in arrears with his credit card, but says he told NatWest this was included in the consolidation and heard no more about it. He then became aware that NatWest had written to his United Kingdom address to say it was going to close his accounts.

Mr D then entered into a repayment arrangement with NatWest, but further difficulties arose when NatWest said he was in breach of the business loan and demanded payment.

NatWest does not accept that it agreed to consolidate Mr D's debts, and says that the business loan had the benefit of a Government guarantee which would have been lost. It also said that the business borrowing was administered by a different area of the bank from Mr D's personal borrowing, and so it would not have been possible to administer everything from the same place.

NatWest considers that the problems were caused by Mr D failing to keep it up to date with his whereabouts, and says it repeatedly tried to contact him during the period of the events complained about.

As matters remained unresolved, Mr D brought his complaint to this service where it was investigated by an adjudicator. After obtaining further information from both Mr D and NatWest, including NatWest's internal record of telephone and written communications, the adjudicator concluded that the complaint should not succeed.

The adjudicator was satisfied that letters sent to Mr D had been received by his partner, who was still at home, and he had been told about them. The adjudicator also considered that NatWest had made reasonable efforts to contact Mr D and had not misled him about debt consolidation or repayment arrangements.

Mr D did not agree with the adjudicator's conclusions and said, in summary:

- He should have been told at the outset that it would not be possible for the business loan to be consolidated. He is sure he was told that everything was included in the monthly payments he understood had been agreed.

- He is quite sure that an overdraft is normally repayable in instalments, even if the Government-backed loan could not be consolidated. He did not know that NatWest was looking at his personal and business accounts overall, and should have been told that this would happen.
- If he had specifically been told that there was no ongoing repayment arrangement, something would have been sorted out and he would not have needed to complain.
- It was left to him to get in touch with NatWest when things got messy because of its failure to keep him informed. He has tried to pay what he owes, but this has not been possible because of NatWest's poor communication.
- NatWest never actioned his requests to contact him in good time before he went away, if it needed him to deal with anything. It is almost as though it wanted him to miss correspondence.
- He has asked the adjudicator to get answers to various questions for him from NatWest, but she has not done that and so he has not had the service he needs from the ombudsman.
- NatWest has used collection agents in respect of his credit card debt, when it knows he is complaining. He is also being charged interest when his account is closed. NatWest has been underhand in the way it has dealt with him.

## **my findings**

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

The ombudsman service investigates eligible complaints that are brought to us, and decides their merits. We are independent and do not act for either party to the complaint, and so it is we – rather than either of the parties – who determine what questions need to be asked or information obtained.

The records from the relevant time show that NatWest contacted Mr D at his United Kingdom address (where his partner continued to live during his absences abroad) about his accounts. I am not persuaded that Mr D had made NatWest fully aware of his changed circumstances before that point.

There is a note of an agreement with Mr D that he would pay £177.10 each month on both the loan and the overdraft, this to be a temporary arrangement for two months which would be reviewed when Mr D contacted NatWest on this return. NatWest did not cancel the payments after that; it is simply that the arrangement had come to an end and there had been no further contact from Mr D to make a new one.

There is nothing in the records about the credit card debt, or that any agreement had been made to consolidate Mr D's borrowings. I am not persuaded that NatWest misled Mr D about that.

Further arrangements were eventually made, again for a limited period of time while Mr D was abroad. But this was not a consolidation of debt, and I have seen no persuasive evidence that NatWest told Mr D that it was.

NatWest eventually considered a consolidation, but the Government guarantee would have been lost and it was not willing to agree to that. Given that I have found that he was not misled about the issue of debt consolidation, I do not see that Mr D's position would have been any better if he had been told that earlier.

As the adjudicator has explained, overdrafts are not generally repayable by instalments and it would be for the customer to make repayment proposals which were acceptable to the bank. Where there is a debt, then interest can still accrue even if the account is no longer open for use.

Overall, I am not persuaded that the difficulties Mr D has cited were caused because of failings on NatWest's part.

**my final decision**

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

Jane Hingston  
**ombudsman**