

complaint

Mrs F complains that National Westminster Bank Plc did not give her appropriate help and support when she had financial difficulties. She also complains that it put incorrect default information on her credit file, and that its recovery agents wrongly sent letters demanding debt repayment.

She wants the bank to apologise for its errors, remove the default information on her credit file and pay her greater compensation than the £50 it originally offered.

background

In 2010 Mrs F had financial difficulties and entered into a debt management arrangement. She says that the bank subsequently recorded defaults on her credit file, even though it was accepting regular payments under that plan. One default was recorded on her file as late as 2013, which means that her ability to obtain credit facilities will continue to be restricted for several more years. She also considers that the bank did not support her in her financial difficulties in the required positive and sympathetic manner.

Our adjudicator recommended that this complaint should be upheld. She concluded, in summary, that the bank had made errors in recording the dates of default and should correct these. She also considered that it should pay Mrs F £150 for the inconvenience caused by these errors, and a further £50 for the distress and inconvenience caused by the inappropriate debt collection agency letters.

National Westminster has not fully accepted the adjudicator's conclusions. It accepts that it was late recording the defaults on Mrs F's credit file and says it has now corrected this. It points out that the defaults occurred before Mrs F entered into the debt management plan and therefore it is correct that they be shown on her credit file. The bank says that it has requested the credit reference agencies to amend the default dates, and it has offered £100 compensation (rather than the £150 suggested by the adjudicator) for the inconvenience caused by the late recording of the default data. It has accepted the adjudicator's suggestion that it pay £50 compensation for the debt collection agency letters.

Mrs F considers the bank's compensation offer of a total of £150 is inadequate, and she also says that her credit file has not been amended to show the correct default dates.

my findings

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

On the level of support provided by the bank when told of Mrs F's financial difficulties, I have considered whether it treated Mrs F in the required positive and sympathetic manner. It is my view that it did. The bank did agree to accept reduced payments under the debt management plan. Mrs F feels it should have stopped charging interest at that point (something which it later did) but there is no requirement for it to do this. A lender does not have to stop charging interest if, having given such a request reasonable and fair consideration, it considers it inappropriate to do so. In this case I am satisfied that the bank carried out an appropriate assessment of Mrs F's financial difficulties.

I agree with the bank that it is correct that the defaults that occurred should be shown on

Mrs F's credit file, but I find that the bank unreasonably delayed the reporting of these – particularly the default recorded in 2013. Mrs F's problems occurred in early 2010. By its delays National Westminster has unreasonably affected Mrs F's ability to obtain credit facilities elsewhere.

The bank has accepted its error on this, and produced evidence to this service that it has submitted correcting information to the credit reference agencies. Mrs F says that her credit file has not been corrected. It is possible that there has been a delay in the credit reference agencies amending their records, but if Mrs F finds that this has not been done by the end of this month it will be reasonable for her to come back to us and ask for her complaint to be re-opened.

On the level of compensation, I consider that the adjudicator's proposal of £150 for the incorrect information and £50 for the debt collection agencies is fair and reasonable redress for the trouble and inconvenience that Mrs F has been caused.

my final decision

My final decision is that I uphold this complaint against National Westminster Bank Plc, other than the part relating to the level of support it gave her when told of her financial difficulties. In full and final settlement, I order the bank to:

1. apologise to Mrs F for its inaccurate recording of data on her credit file;
2. check that it has indeed corrected all of the relevant default dates shown on Mrs F's credit files with all of the credit reference agencies; and
3. pay Mrs F compensation for the trouble and inconvenience it has caused - of £150 for the late default data on her credit file and £50 for the inappropriate debt collection agency letters.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs F to accept or reject my decision before 15 February 2016.

Malcolm Rogers
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