

complaint

Mr G complains about the way National Westminster Bank Plc managed his accounts - in particular about delays in recording on his credit file that an outstanding debt had been settled and in paying an agreed compensation amount.

background

Mr G had some difficulty in maintaining his loan repayments. National Westminster defaulted the loan and passed it to a debt collection agency. The bank has since accepted that it failed to issue the required notices before defaulting the account, and the default was therefore recorded in error on Mr G's credit file. It has removed that default and also accepted that Mr G received incorrect advice about its debt recovery process from one of its branches. It offered Mr G £200 compensation for the inconvenience caused, but he considered this inadequate.

In bringing his complaint to us Mr G also highlighted that there was an unreasonable delay in National Westminster recording on his credit file that the outstanding debt had been settled, and he was unhappy that the bank had passed the debt to an external firm for collection.

Our adjudicator recommended that this complaint should be upheld in part. He concluded, in summary, that while the bank had already removed the wrongly recorded default it had unreasonably postponed the date it showed the debt had been settled. He recommended that it amend this information to show the correct settlement date. He also recommended that it pay Mr G £200 compensation for the trouble and inconvenience caused. On the decision of the bank to transfer the debt to an external collection agency he explained that this was a commercial decision that the bank was entitled to take.

National Westminster accepted the adjudicator's recommendations. Mr G also accepted the recommendations.

Although the settlement date was promptly corrected on Mr G's credit file there was a delay of around two months in Mr G being paid the agreed £200 compensation. He considered that the bank had failed to provide resolution within a reasonable time and asked for his complaint to be passed to an ombudsman for further consideration.

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 issues relating to the incorrect default and the late recording of a settlement on Mr G's credit file have already been resolved, with the bank correcting these errors. I consider there has been a fair and reasonable resolution of these parts of Mr G's complaint.

The only issue outstanding is the late payment of the compensation recommended by this service. We would normally expect to see such compensation paid within four weeks or so of it being agreed, and I therefore find the delay in paying the £200 to Mr G unreasonable. It is my view that a further £50 compensation should be paid by the bank for the further trouble and inconvenience this delay has caused.

my final decision

My final decision is that I uphold the part of this complaint against National Westminster Bank Plc relating to the unreasonable delay in its payment of the agreed £200 compensation. In full and final settlement I order the bank to pay Mr G a further £50 compensation within four weeks of his acceptance of my decision here.

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

Malcolm Rogers
ombudsman