

complaint

Mr P complains that National Westminster Bank Plc ('NatWest') passed a debt to a third party without his knowledge.

background

Mr P had an account with NatWest. He didn't realise it'd gone overdrawn. And he's unhappy NatWest sold the debt to another company without discussing it with him. The bank also passed on his details to the debt company who contacted his family. Mr P feels this is a breach of data security.

NatWest said Mr P's account became overdrawn in November 2016. It'd sent Mr P a number of letters about the situation. And it'd sent him regular account statements showing the current position. But Mr P had changed address and not informed the bank. So he hadn't received the letters.

Because Mr P hadn't responded NatWest sold the debt to a third party. The decision was part of its debt recovery process. NatWest acknowledged that Mr P was unhappy his family had been contacted by the debt recovery company. But that was something he would have to discuss directly with them.

Mr P wasn't satisfied with NatWest's response. So he contacted our service and our investigator looked into the matter. He felt Mr P should've been aware his account had gone overdrawn. He'd used it regularly until that point. And he'd made a deposit in December 2016 to reduce the balance. Our investigator didn't feel he could hold NatWest responsible for Mr P not receiving the letters about his unauthorised overdraft. They'd been sent to the address Mr P had provided.

Our investigator looked at the terms and conditions of the account. He felt NatWest had acted correctly when it passed the debt to the third party and provided Mr P's details. And he didn't feel he couldn't hold NatWest responsible the company contacting Mr P's family.

Mr P didn't agree. He said the letters sent to his previous address would've been returned to NatWest. And NatWest couldn't provide copies of the statements it said had been sent. So he's asked for an ombudsman's final decision.

my findings

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

Mr P is unhappy a debt arose on his NatWest account. Although he'd changed address from his parent's house he's sure that letters from the bank would've been returned to it. Mr P remembers other businesses called to remind him to update his address details. So I've looked carefully at everything Mr P and NatWest have said.

Mr P's account became overdrawn in November 2016. He did make a deposit of £30 in December which suggests he was aware his account needed funds. Although Mr P had used the account on a regular basis there were no more transactions after it became overdrawn. The only other activity on the account relates to bank charges for the unauthorised overdraft.

So I think it's reasonable to assume Mr P would've been aware his account had gone into debit. He stopped using the account as soon as it did. NatWest sent Mr P a number of letters asking him to get in touch. And the letters explained what would happen to the account if the bank didn't hear from him.

NatWest said it also sent statements to Mr P. The bank hasn't been able to provide evidence to support this. But there's nothing on its records to suggest they weren't sent as normal. The terms and conditions of the account say NatWest would provide monthly statements unless agreed otherwise. But unfortunately Mr P wasn't using his parent's address anymore. And he hadn't told the bank about his change of address.

I realise Mr P says he was chased by other organisations when they realised he was using a different address to the one they had on their records. But it was Mr P's responsibility to update his bank when he changed address. He knew he had an account with NatWest. And it's likely he knew he had gone into an unauthorised overdraft. So I can't say NatWest did anything wrong by trying to contact Mr P about his account and passing the debt to a third party when he didn't respond. The bank acted within the terms and conditions of the account which Mr P agreed to when he opened the account.

The terms say NatWest can share Mr P's details with certain third parties such as debt collection agencies. So I don't think NatWest did anything wrong by providing Mr P's last known address to the debt company. It provided the only contact details it had. I realise this might've caused some upset to Mr P's family. But NatWest had no other address to pass on.

Based on what I've seen I can't really say NatWest has done anything wrong. I appreciate how upsetting it must've been for Mr P to discover he had a debt. And it'd been passed to a collection agency. But Mr P's expenditure caused his account to become overdrawn. And he stopped using the account soon afterwards. Mr P didn't inform the bank when he changed address. And he could've checked his account and put things right before the debt was sold.

I realise Mr P will be disappointed with this outcome. But, for the reasons I've given, I don't uphold this complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 May 2019.

Andrew Mason
ombudsman