

complaint

Mrs N complains that National Westminster Bank Plc unfairly recorded a default on her credit file, incorrectly linked an address and has repeatedly mis-managed her personal data.

background

In 2006 Mrs N and her ex-husband went to their local branch to notify it of their change in marital circumstances. It had been agreed that he would repay the overdraft on their joint account, the bank was made aware of this and its system was updated with his new address. However, as there was a debt on the account, Mrs N's name was not removed from the account. Mrs N received no further communication regarding the overdrawn account from the bank.

Four years later she was contacted by a debt collections agency. She discovered that in 2009 a default had been recorded in her name as the overdraft had not been repaid. The agency offered her a discounted settlement figure and she subsequently paid off the debt. It explained that the debt would show as partially settled on her file, however, the bank later agreed to amend this to fully satisfied in light of the wider circumstances.

In addition, the credit reference agency received, and recorded, incorrect data linking Mrs N to an address she had never lived at. Despite a number of assurances that the address error had been corrected, and that the debt was now showing as fully satisfied, this was not the case for some time. A debt, that the bank has said it intends to recover from Mrs N's ex-husband, was still showing on her credit file as at February 2013.

Mrs N is asking for the bank to remove the default from her credit file, arguing that it is unfair as she was never made aware that the debt had not been repaid. The bank accepts there have been some errors and confusion and is offering £250 compensation for the distress and inconvenience caused. It is not willing to remove the default.

The adjudicator recommended that the complaint should be partly upheld. He agreed that the bank had made errors, and should compensate for this. However, he explained that as the joint account had not been closed because of the debt Mrs N remained jointly and severally liable. Therefore, he did not conclude that he could require the bank to remove the default.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where there evidence is inconclusive, contradictory or incomplete (as some of it is here), I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the available evidence or the wider circumstances.

I am not satisfied that Mrs N was given the opportunity to remedy the breach of the agreement she had with the bank (*ie* the terms and conditions of the account) before it defaulted the account, and therefore I consider that the default should be removed.

Whilst I accept that her status as joint account holder means that she was jointly and severally liable for the debt, I do not consider the bank's series of actions to be fair or reasonable. There is no evidence that any attempt was made to contact Mrs N, at any

address, to give her the chance to repay the debt. The bank says that it was not given a new contact address for Mrs N until August 2010. Mrs N says that she provided one (her parent's address) in 2006 so I cannot know with certainty when the bank received her change in address. I note the bank's argument that correspondence is only issued to the address held on file for the account, but I do not understand why it then did not send a default notice to Mrs N at that address. There is no evidence that the required letters or notices were sent to her before the default was recorded on her credit file.

I have also considered the fact that Mrs N repaid the debt (albeit at a discounted value) once she became aware of the situation.

The incorrect linked address has now been corrected, and I have considered Mrs N's comments regarding the bank's failure to record accurate data when making my award for the distress and inconvenience caused.

my final decision

In full and final settlement of this complaint, I order National Westminster Bank Plc to remove the default and the value of the associated debt from Mrs N's credit record.

In addition, it should pay the additional £250 for the distress and inconvenience caused, as it has offered.

Rebecca Connelley
ombudsman