

## **complaint**

Mr A complains that National Westminster Bank Plc (NatWest) has not accepted his offers of repayment for his loan.

## **background**

Mr A took out a loan in 2008 but in early 2009 he began to regularly miss the monthly repayments. In 2011 NatWest issued default notices for both his loan and also his current account. Mr A says that he has made a number of acceptable offers to repay the debt but NatWest had either rejected or ignored these. He considers that the bank is determined to take him to court.

The adjudicator did not recommend that the complaint should be upheld. He concluded that the bank had considered Mr A's repayment proposals but, as he had not been able to provide the additional information in support, no agreement had been reached. It was a matter of commercial judgement whether the bank accepted proposals and, if so, on what terms.

Mr A responded to say, in summary, that he had made an offer to repay the debt by monthly amounts in excess of the amount the bank had requested. However, the bank's solicitors were unreasonable in refusing the proposal and insisted on starting court proceedings.

## **my findings**

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

It is not in dispute that Mr A took out a personal loan in 2008 and the regular contractual monthly repayments have not been made since 2009. Mr A also stopped using his current account in early 2009 and the overdrawn balance has increased by interest and charges being debited. NatWest issued a default notice in 2011 on both accounts, prior to transferring them to its recoveries department.

In situations of financial difficulty, banks are expected to treat their customers positively and sympathetically. That might mean coming to a mutually agreeable arrangement about a debt, such as developing a repayment plan – but it does not mean that the bank is automatically obliged to do this. It is entitled to carry out its own investigations to verify the situation.

After the accounts had been defaulted, Mr A told NatWest that he was suffering ill-health and he authorised his friend, Mr T, to act on his behalf. I am satisfied that NatWest wrote to Mr A and Mr T on several occasions asking for Mr A's repayment proposals. It also requested that Mr A complete an income and expenditure form, and provide evidence of his ill-health. This was to enable it to assess for itself the ways in which it could help, with a reduced repayment plan being one possible solution. However, the information that the bank requested was not provided to it. I would expect both parties to cooperate fully in negotiating a way forward.

I understand Mr A's frustration, in that he says that he has put forward a number of repayment proposals but none have been accepted. I find that the amount NatWest, or its solicitors, are prepared to accept on a monthly basis in respect of the debt owed, and its debt recovery procedures generally, are matters for its own commercial judgement. It is quite

reasonable for them to require an up to date financial statement and other information to ensure that any amount offered is both reasonable in relation to other priority living expenses and sustainable over a period of time.

I find that Mr A has had the benefit of the money from the current account and personal loan and it is reasonable for NatWest to seek repayment of these debts. It may well be that the bank considers that it has given Mr A sufficient time to provide it with full details of his financial situation, an income and expenditure schedule and to try to agree an acceptable repayment plan and that sadly it has little option but to pursue the debt through the courts.

However, to try to avoid unnecessary costs, I would urge Mr A to contact NatWest's solicitors without further delay with the information it requires in support of his repayment proposals. For the avoidance of doubt, this Service has no powers to make the bank accept an out of court offer. But I would remind the bank, and its agents, that it has an ongoing duty to treat someone in financial difficulty positively and sympathetically.

### **my final decision**

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

Karen Wharton  
**ombudsman**