

complaint

Mr and Mrs C complain that National Westminster Bank Plc registered a default notice on their credit reference file incorrectly.

background

Mr and Mrs C faced financial difficulties in early 2010 and as a result exceeded their overdraft limit. The bank wrote to them and they took advice from a debt management charity. Their offer to reduce the debt by £2 a month was refused in May 2010 and a default letter was issued. This was followed by a final demand letter. Around this time several of the bank's letters went unanswered. However, after consulting with the Citizen's Advice Bureau Mr and Mrs C reached an arrangement with the bank in August 2010. Their indebtedness to the bank included credit card debts and there was some confusion as to what was included in the arrangement. However, since August 2010 Mr and Mrs C have maintained the payments to clear their debts.

In 2013 Mr and Mrs C became aware that a default notice had been placed on their credit file in late 2012 and complained to the bank. The bank could find no reason why that notice had been issued. However, it said the notice should have been made in 2010 at the point when the formal demand was issued and no agreement had been reached with Mr and Mrs C. The bank apologised and amended the default notice to reflect the 2010 date and offered £20 compensation.

Mr and Mrs C complained to this service. The adjudicator did not recommend that the complaint be upheld. She considered the bank to have been wrong to issue the default notice in 2012, but it was right to amend the notice to reflect the state of the accounts in 2010. The bank had offered £20 compensation to reflect its mistake in issuing the 2012 default and she considered this to be fair and reasonable. Mr and Mrs C did not agree as they believed they had complied with the bank's requests in 2010 and have sought to clear their debts.

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 bank has not been able to explain why a default notice was issued in 2012, but it has acknowledged this was done in error and has offered £20 compensation for the mistake. However, Mr and Mrs C's main cause of complaint is the fact that the bank has amended the default notice to the earlier date in 2010.

I can understand Mr and Mrs C's frustration that a default has been registered on their credit files, especially as they have continued to reduce their debt with the bank. However, having reviewed the papers I conclude that in 2010 the bank issued both a default notice and a final demand notice requiring a response within 28 days. I can see no trace of a response to either within the required time limit and at that point the bank was within its rights to record the default on Mr and Mrs C's credit files. The entries on a credit file should be a true reflection of how an account has been managed and the bank should accurately reflect the position. The bank's actions in changing the date on the notice only serve to reflect the facts.

I conclude that the bank has acted correctly in correcting the date on the default notice.

my final decision

My final decision is that I do not uphold this complaint. I leave it to Mr and Mrs C to decide if they wish to take up the offer of £20 compensation from National Westminster Bank Plc.

Ivor Graham
ombudsman