

complaint

Miss H has complained that National Westminster Bank Plc sold her debt on to a third party after it had agreed it wouldn't.

background

Miss H has been on an agreed repayment plan with NatWest for a number of years. In 2015 Miss H was told by NatWest that her account would remain with NatWest providing she continued to meet the terms of her repayment plan.

In August 2017 Miss H received a letter from NatWest to say the account had been transferred to a third party. It said the company that managed the debt on behalf of NatWest before would continue to administer the payments on it. But the debt would be owned by a new third party company and NatWest would have no further involvement or interest in the debt.

Miss H was unhappy with this and complained to NatWest as she felt it had broken a contract with her – as it had agreed previously that it wouldn't sell the debt providing she maintained her payments on the account – which she had.

Miss H complained previously about the debt and how NatWest handled this. She's now unhappy having the worry of this all again. She is also worried this will impact negatively on her credit file.

Our investigator looked at Miss H's complaint and felt based on her individual circumstances, it was reasonable to believe this would've caused her trouble and upset. She agreed NatWest was entitled to sell the debt but it wasn't fair to not take account of the impact this would've had on Miss H. NatWest agreed with her recommendation and offered £100 for the trouble and upset this caused.

Miss H via her representative said she didn't think this was enough. She felt once NatWest had said the debt wouldn't be sold to anyone else that it had created a contract to this effect and this had been broken when it was sold. She said £100 wasn't fair compensation for this.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I have decided not to uphold this complaint as I feel the offer agreed by NatWest is fair and I'll explain why.

Miss H feels when she was told by NatWest the loan wouldn't be sold to another party that this was creating a new contract between her and it for the account. Miss H agreed to maintain the minimum payments in return for the debt staying with NatWest. I'm afraid I don't agree this created a new contract which supersedes the terms and conditions of Miss H's account.

The terms and conditions say the following in relation to transferring debts:

"We may give to anyone any information about you or this Agreement in connection with any proposed transfer of, or financial agreement by reference to, this Agreement. We may allow

any person to take over any of our rights and duties under this Agreement. References to us include our successors.”

When the account was taken out Miss H agreed to the terms of conditions of it – including that NatWest could allow the account to be transferred as a debt to another party.

When NatWest said to Miss H the account wouldn't be transferred providing she maintained her minimum payments, this was correct at the time – and it is that NatWest confirmed in its previous final response. The final response didn't say the account would never be transferred or that NatWest had removed its right to pass the debt on if it wanted to.

NatWest later took a decision to transfer a number of debts including Miss H's to a third party company. As I said above, it was entitled to do this under the terms and conditions of the account.

When it was transferred the impact was reduced by the new owner of the debt using the same third party to manage and administer the repayments. And NatWest said to Miss H in its letter telling her the debt was being transferred that she simply needed to continue to make her payments through the same third party she'd previously been using.

Miss H's representative has questioned whether the new owner of the debt could change the amount on the repayments going forward. The debt is now owned by the new third party and this means it may decide in the future to change the repayment plan if it needs to. This would be something Miss H would need to discuss with the new owner of the debt or the third party who administers it – if this remains managed by the other party as it currently is. NatWest will have no further involvement in the debt.

I understand Miss H has been unwell and the combination of believing the debt shouldn't have been sold and her worrying this was now impacting on her credit file will have caused her some distress. I think NatWest did try to reduce this distress by letting her know she could continue to make her payments as normal. But this doesn't take away from the impact it has had on Miss H.

I think the offer of £100 made by NatWest for the trouble and upset this matter has caused is fair. As I said above, NatWest was able to sell the debt – and I think it did its best to reduce the impact of this on Miss H. And I can't see from the information provided that this has had any negative impact on her credit file. But it has clearly caused her some distress and upset and I think the £100 fairly reflects this.

my final decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 6 April 2018.

Thomas Brissenden
ombudsman