

complaint

Mrs L complains that National Westminster Bank Plc unfairly holds her solely liable for the overdraft debt on a business account and delayed providing her with information from its records.

background

Mrs L opened the business account with NatWest some years ago. She explains that the account was intended for use by her husband's business, as he had closed his previous business account and was later declared bankrupt.

Mrs L says that she often asked her husband to put the account into his name, but he was unwilling to do that. A debt grew on the account, which Mrs L says was through her husband's usage of the overdraft facility.

By 2012, the debt was causing concern. Mr L and Mrs L went to a meeting with NatWest and Mrs L says that Mr L told NatWest he would take responsibility for the debt and repay it by June 2012. That did not happen, although Mr L made some payments to reduce the debt.

Mr L and Mrs L are divorcing, and Mrs L considers that NatWest should have taken more decisive action to follow up on Mr L's agreement to pay the debt. She is also concerned that NatWest did not, initially, produce the notes of the meeting which confirm the offer made by Mr L.

NatWest continues to hold Mrs L liable for the remaining debt, though it accepts it should not have told Mrs L that there were no meeting notes.

An adjudicator investigated the complaint. She was satisfied that the account was in Mrs L's sole name, which meant that Mrs L was liable for the debt even if it was incurred in respect of Mr L's business. However, following the adjudicator's involvement, NatWest offered Mrs L a further £200 for not locating the meeting notes sooner, having already paid her £50. The adjudicator recommended that Mrs L accept that settlement.

Mrs L did not agree with the adjudicator's conclusions. She said, in summary:

- She had told NatWest that she needed to see the notes, without which she was unable to sign the divorce consent agreement.
- Mr L had refused to take responsibility for the debt, even though he was the one who had used the account card.
- She has been lied to and the whole matter has caused her stress to the extent that her health has been affected.
- She has not cashed the £50 cheque, which is now out of date. £250 is wholly inadequate as a settlement of her complaint.

my findings

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

As the adjudicator has explained, because Mrs L took the business account in her sole name she is liable for the debt that arose on it. I appreciate that Mrs L was unhappy that

Mr L was creating a debt by his usage of the account for his business, and note that she says she asked him on a number of occasions to transfer the account into his name. But that was a matter between Mrs L and Mr L, and did not affect NatWest's ability to hold her liable for the account balance. There is no indication that NatWest was made aware during that time of Mrs L's disquiet about the account.

Mr L subsequently said he would repay the debt in full, and this was accepted by NatWest as a repayment proposal for the account. Unfortunately, Mr L did not keep to that proposal. But, given that Mr L was not a party to the account, I do not see that NatWest could – realistically – have taken further action against Mr L for repayment of the debt on Mrs L's account.

The meeting notes entered on NatWest's system are brief and simply repeat (apparently second hand, because they are entered by a colleague of the manager who actually conducted the meeting) what Mr L and Mrs L said. I am not persuaded that, in themselves, the notes would make any material difference to Mrs L's case in the financial settlement between her and Mr L.

I do not doubt that this whole matter has been very upsetting for Mrs L. But, like the adjudicator, I consider Mrs L's claim that Mr L – rather than she – should be made to pay the loan is primarily a dispute between Mrs L and Mr L. I am not persuaded that Mrs L finds herself liable for the debt because NatWest did anything wrong.

The total of £250 offered by NatWest is, in my opinion, suitable redress for its accepted shortcomings in failing to locate the notes sooner.

my final decision

My decision is that I uphold this complaint in part, and I order National Westminster Bank Plc to pay Mrs L £250.

Jane Hingston
ombudsman