

The complaint

Mr B, a sole trader, is unhappy that National Westminster Bank Plc (“NatWest”) didn’t update his business address when he asked them to, which he feels led to the unfair defaulting of his Bounce Back Loan (“BBL”).

What happened

In May 2020, Mr B successfully applied to NatWest for a BBL. Mr B missed several payments on the loan, and in April 2022 NatWest began attempting to contact Mr B to discuss the BBL arrears with him.

In June 2022, Mr B spoke with NatWest about the account arrears. At that time, Mr B told NatWest that his business was no longer trading and asked them to update the address on his BBL to his personal address so that he would receive the letters NatWest were sending.

But NatWest didn’t update the address as Mr B had requested, and this meant that Mr B continued to not receive BBL letters from NatWest – because they continued to be sent to an incorrect address. Mr B wasn’t happy about this, and he felt the non-receipt of account letters had directly led to NatWest defaulting his BBL for non-payment, which NatWest did four months after his phone call with them. And Mr B also wasn’t happy that NatWest had passed his BBL debt to a debt recovery agency (“DRA”). So, he raised a complaint.

NatWest responded to Mr B but didn’t feel they’d done anything wrong in how they’d administered the loan. And NatWest noted that when Mr B has asked them to change the address on the phone call in June 2022, it had been explained to him at that time that he would need to either visit a branch or request a change of address via email – neither of which Mr B had subsequently done. Mr B wasn’t satisfied with NatWest’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel NatWest had acted unfairly in how they’d managed the situation and so didn’t uphold the complaint. Mr B remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

In his ongoing correspondence with this service, Mr B has raised several further points of complaint, beyond those that I’ve described in the preceding section. However, this service can only consider points of complaint that have already been raised as complaints with the respondent business, such that the business has had the opportunity to consider and respond to those points.

This means that I won’t be able to consider any of the further points of complaint that Mr B has raised at this time – because these further points of complaint haven’t yet been raised with NatWest directly. As such, if Mr B still wishes to pursue these further points of

complaint, I can only refer him to NatWest to raise these further points of complaint with them, so that they have the opportunity to formally consider and respond to them.

Mr B has explained that he's unhappy that NatWest didn't update his address when he asked them to in June 2022. And he feels that NatWest's failure to update his address has directly contributed to the defaulting of his BBL for non-payment because he wasn't receiving letters from NatWest about the account.

It was Mr B's responsibility as the BBL account holder to have monitored the account and to have been aware of whether any monthly payments had been missed. And Mr B's responsibility to do this wasn't in any way affected by whether he was or wasn't receiving letters from NatWest.

As such, if Mr B wasn't receiving letters from NatWest, it would be expected both that Mr B would monitor his account by the other channels available to him, such as online or by telephone, and that he would proactively contact NatWest to arrange for the account letters to be correctly addressed to him.

But Mr B doesn't appear to have done either of these things. And I say this because it was NatWest who appear to have initiated contact between Mr B and themselves in April 2022, when they began trying to contact Mr B to discuss the several missed payments on the loan and resultant arrears that were present on Mr B's BBL at that time.

This means that when Mr B spoke with NatWest in June 2022, his BBL was already in a position of significant arrears. And having been made aware of the arrears present on the BBL at that time, Mr B subsequently made no attempt to either clear those arrears in full or arrange a repayment plan with NatWest to clear the arrears in instalments.

Accordingly, I'm satisfied that, because of the inaction of Mr B in this regard, his BBL would most likely have been fairly defaulted by NatWest for non-payment of account arrears regardless of whether NatWest had updated the address on his account in June 2022 or not.

Importantly, having listened to the telephone call between Mr B and NatWest in June 2022, on which Mr B requested the change of address, it's clear that Mr B was told by NatWest that his address couldn't be updated over the phone and that Mr B would need to either visit a NatWest branch or send a scanned signed letter via email. And on the call, Mr B asks NatWest's agent to pause while he finds a pen and paper to take the email address needed. I'm therefore satisfied that Mr B did in all likelihood understand the information about the change of address he'd been given.

Accordingly, I feel that if Mr B wasn't receiving letters from NatWest prior to the June 2022 phone call that this was because Mr B hadn't met his responsibilities to have contacted NatWest and informed them of his change of address prior to that call. And if Mr B continued to not receive letters from NatWest after the June 2022 phone call, I feel this was because Mr B didn't take the actions that he had been clearly informed by NatWest that he would need to take to arrange the updating of his address.

Additionally, NatWest have demonstrated to my satisfaction that they sent BBL arrears correspondence to Mr B via several channels, and not just by posted letter. And these channels include by email and text message to the email address and telephone number that Mr B has provided to this service as being his own.

I therefore feel that it's more likely than not that Mr B would have received these emails and text messages from NatWest, even if he wasn't receiving the letters NatWest were sending. And, as explained previously, even if Mr B wasn't receiving any correspondence of any kind

from NatWest, it remained his responsibility as the BBL account holder to have monitored the BBL and been aware of the ongoing status of the account.

Ultimately, Mr B didn't meet his contractual payment obligations for the BBL, to which he agreed when he accepted the loan. And as per the above, I don't feel it can reasonably or fairly be said that this was because of any action or inaction by NatWest, as Mr B contends.

Because of this, I feel that it was fair that NatWest undertook the arrears collections and recoveries process that they did, which ultimately led to the defaulting of Mr B's BBL by NatWest and NatWest's decision to no longer provide banking services to Mr B – which was a commercial decision I feel that NatWest were entitled to make and which I'm satisfied they gave fair notice of to Mr B, in line with the terms of their accounts.

Finally, Mr B is unhappy that, having defaulted his BBL, NatWest passed his debt to a DRA. But the transferral of debt to a DRA is a common practice in such circumstances, and one which is permitted by the terms of the BBL which Mr B consented to when he accepted the loan. And NatWest didn't need any further consent from Mr B, beyond his acceptance of the BBL agreement, to fairly transfer the defaulted debt to a DRA as they did.

All of which means that I don't feel that NatWest have done anything wrong or unfair here. And it follows from this that I won't be upholding this complaint or instructing NatWest to take any further or alternative action.

I realise this won't be the outcome Mr B was wanting, but I trust that he'll understand, given all that I've explained, why I've made the final decision that I have.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 December 2023.

Paul Cooper
Ombudsman