

## **The complaint**

Mr G is unhappy with how National Westminster Bank Plc (“NatWest”) administered his loan.

## **What happened**

To briefly summarise: At the end of May 2022, Mr G agreed a refinance plan with NatWest for his personal loan. The refinance plan involved an extension of the loan term and a reduction in the monthly payment amount. Mr G asked NatWest to email the refinance agreement to him for him to sign and return as he was overseas, which NatWest agreed to do. But Mr G didn’t receive the refinance agreement by email as he’d been promised. And in July 2022, when Mr G returned to the UK, he found that NatWest had posted the refinance agreement to his UK address.

Mr G signed and returned the refinance agreement to NatWest immediately upon returning to the UK. He then received letters from NatWest saying that his loan was in arrears. But Mr G didn’t feel that this could be the case because he’d made – and continued to make – the reduced monthly payments to the loan as per the refinance agreement. Then, in November 2022, Mr G received a formal demand for full repayment of the outstanding loan balance from NatWest, and NatWest later defaulted his loan claiming that it was in a position of unpaid arrears. Mr G wasn’t happy about this, so he raised a complaint.

NatWest responded to Mr G and explained that he had unfortunately been misinformed that the refinance agreement could be sent by post, and that in fact NatWest’s policy was that the refinance agreement had to be sent by post to a UK address. NatWest also explained that they had attempted to contact Mr G about this on multiple occasions by a variety of channels, and that because Mr G hadn’t responded to those communication attempts, the refinance agreement offer had lapsed, and the loan had returned to the original contractual terms. And, because this meant that the required monthly payment was more than the reduced payments Mr G was making, the loan had fallen into arrears.

NatWest also explained that because the loan had fallen into arrears and because Mr G hadn’t responded to any of the communication attempts that they’d made to him about the issue, which had again been sent by multiple channels, that the arrears on the loan had grown to the point where collections and recovery action had commenced. Mr G wasn’t satisfied with NatWest’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But while they accepted that NatWest had made the initial mistake of incorrectly telling Mr G that the refinance agreement could be emailed to him for him to sign and return, they felt that NatWest had made fair and reasonable efforts to contact Mr G to correct their position, which Mr G hadn’t responded to. Because of this, our investigator didn’t recommend that this complaint should be upheld in Mr G’s favour. Mr G didn’t accept the view of this complaint put forwards by our investigator, 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mr G has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr G for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr G notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr G and NatWest. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Mr G has explained that he requested that the refinance agreement be emailed to him for him to sign and return because he was overseas which meant that he wasn't able to access letters posted to his UK address. So, I can therefore appreciate how it would be frustrating for Mr G to have discovered, upon his return to the UK, that NatWest had in fact posted the refinance agreement for him to sign and return to them to his UK address, rather than emailing it to him as they'd promised that they would.

NatWest have explained that their agent made an error in telling Mr G that the refinance agreement could be emailed to him. And NatWest have confirmed that their policies surrounding refinance agreements include that they can only be posted to UK addresses.

Mr G feels that this provision of incorrect information by NatWest to him has caused his loan to be defaulted. This is because Mr G feels that he was operating on the reasonable belief that he had negotiated a refinance agreement with NatWest and because he was making monthly payments in line with that refinance agreement.

I'm not in agreement with Mr G's position here, and one reason for this is that Mr G requested that the refinance agreement be emailed to him so that he could receive it while overseas and sign and return it to NatWest. But Mr G didn't receive the refinance agreement – because it wasn't emailed to him – which means that Mr G didn't sign and return the refinance agreement to NatWest. And I feel that it stands to reason that the refinance agreement would only have been confirmed and put in place upon NatWest receiving the signed refinance agreement from Mr G, whereby he formally confirmed that he accepted it.

Mr G has said that he believed he had a verbal agreement with NatWest. But it was explained to Mr G that he needed to sign and return the refinance agreement, which he ultimately didn't do. And I feel that it was unreasonable for Mr G to hold the belief that the refinance agreement would be put in place on a verbal agreement only, and without the return of the signed refinance agreement which it had been explained to him was required.

Mr G also hasn't been able to evidence that he chased NatWest for a copy of the refinance agreement for him to sign and return to them. And he also didn't respond to numerous communications that NatWest sent to him by a variety of channels, including by email and text message to the email address and mobile phone number that Mr G has confirmed to

this service as being his own.

Mr G has explained that his trip overseas was for distressing personal family matters. I can only sympathise with Mr G in this regard, and I appreciate that his NatWest loan might have seemed relatively unimportant at that time in comparison. But I feel that the absence of his receiving a copy of the refinance agreement to sign and return, along with the subsequent communications from NatWest and Mr G's responsibility as the loan account holder to monitor the ongoing status of the loan, should reasonably have informed Mr G that the refinance agreement he'd negotiated hadn't been put in place.

Additionally, when Mr G returned to the UK in July 2022, he received ongoing communication from NatWest advising him that his loan was in arrears, which by Mr G's own admission, he ignored. Mr G has explained that this was because he was confident that he had made all the payments towards the loan as required by the refinance agreement. But, as explained, Mr G had never signed and returned a refinance agreement to NatWest to confirm the agreement. And if Mr G was receiving correspondence from NatWest which was at odds with his own belief regarding the status of the loan at that time, it seems reasonable to expect Mr G to have contacted NatWest to question that correspondence.

So, while NatWest made the first mistake here by incorrectly telling Mr G that they could email the refinance agreement to him to sign and return to them, I feel that Mr G's own mistake – believing that the refinance agreement had been put in place without him signing and returning a copy of the refinance agreement – was ultimately what led to Mr G's loan being defaulted.

This is because I feel that Mr G's belief that he could make the reduced monthly payments towards the loan wasn't reasonable, because he hadn't taken the action – the signing and returning of the refinance agreement – which he knew was necessary to formally accept the agreement so that it could be put in place. And also because Mr G didn't contact NatWest about the deteriorating position of his loan, despite numerous communications from NatWest which I'm satisfied should have reasonably given him cause to do so.

All of which means that I don't feel that NatWest should be considered as being responsible for Mr G's loan defaulting as Mr G contends. And it follows from this that I won't be upholding this complaint or instructing NatWest to take any further or alternative action here.

I realise this won't be the outcome Mr G was wanting, but I hope 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 G to accept or reject my decision before 3 January 2024.

Paul Cooper  
**Ombudsman**