

The complaint

Mr F complains that when he contacted National Westminster Bank Plc for short term support with his mortgage, the only options NatWest would offer him, would involve a negative mark on his credit file.

What happened

Mr F said he contacted NatWest in early 2023, when he was returning to work after a period of sickness absence. Mr F said he was able to return to work, and he didn't anticipate any longer term problems with paying his mortgage, but he said that in the short term, his return to work had been unfortunately timed, because he'd missed that month's salary payment date. Mr F said he'd used up his savings keeping up his mortgage payments during his absence, and he would struggle to make that month's payment. He wanted NatWest to help.

Mr F was very upset to find out that the only help NatWest would offer, would impact his credit file. He said he spent nearly an hour on the phone, but NatWest wouldn't help. And it put him through to the team dealing with arrears, although Mr F said quite specifically he didn't want that.

NatWest said it sympathised with the situation Mr F was in, and appreciated that he'd contacted it in advance of the payment, but it said there's no facility for payment holidays on Mr F's mortgage. The mortgage he has requires payments to be made every month. NatWest wasn't able to just agree to Mr F skipping or deferring a monthly mortgage payment.

NatWest said it was sorry Mr F had been on the phone for around 40 minutes, and had been transferred around different departments. It paid £50 to apologise for that.

NatWest confirmed Mr F did then make his monthly payment, so no negative information had been reported to credit reference agencies.

Our investigator didn't think this complaint should be upheld. He said he'd checked, and there wasn't a payment holiday feature on Mr F's mortgage. The payment holiday he'd taken during the pandemic was a one-off arrangement that NatWest was required to provide by the regulator. If Mr F missed a payment, NatWest had to tell credit reference agencies that, and if he entered into a payment plan, that would still be visible on his credit file.

Our investigator didn't think NatWest had done anything wrong, in telling Mr F that the options it could offer would have an impact on his credit file. And he thought the payment NatWest made, to make up for the length of time that Mr F spent on the phone, was fair.

Mr F didn't agree. He said he didn't feel his side of the story had been taken into consideration by the investigator. And he said we'd got some things wrong, because he didn't want his monthly payment deferred until the next month, he wanted it deferred until the end of the mortgage. Mr F said that in the circumstances he was in, of trying to return to

work, NatWest should have helped. But all it would offer him was options which would have shown on his credit file, and he didn't want that.

Mr F wanted his complaint to be considered by an ombudsman, so it was passed to me 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.

I've reached the same overall conclusion on this complaint as our investigator. I'm sorry to have to tell Mr F that I don't think this complaint should be upheld.

I understand Mr F was returning to work after a period of absence, as fortunately, he has now recovered. Mr F said he'd used up his savings covering his mortgage and he wasn't going to be paid until the next month. He complains that when he contacted NatWest to ask for support, it wouldn't help.

I understand there's been some confusion about the sort of help Mr F wanted. He contacted our service after our investigator completed his view, to say that he hadn't asked NatWest to defer his payment to the next month, he'd asked it instead to defer the payment to the end of the mortgage. But I have listened to a call recording from the time, and I can hear that the first option Mr F suggested was that NatWest should defer that month's payment until halfway through the next month, when he expected to be paid. He then also suggested NatWest could change his payment date, or it could defer the payment, as a one month payment holiday, until the end of the mortgage itself.

I understand NatWest said it couldn't simply offer Mr F these options. The only options it could offer him, would mean going through an income and expenditure assessment, and would have some impact on his credit file.

Mr F didn't want to take up those options. He said his credit file has always been clear, and he didn't want to do anything that would damage his credit rating.

I've seen the terms of Mr F's mortgage, and I haven't been able to see that he has any flexibility in that mortgage. I know that Mr F had previously made overpayments, and he'd previously taken a payment holiday during the pandemic period (under arrangements that our investigator has explained NatWest was required to provide at the time). But NatWest still didn't have a way under the agreement it had made with Mr F, to waive one of his monthly payments.

If there's nothing in Mr F's mortgage agreement which allows Mr F to miss a payment, then I would expect any option to skip or defer a monthly payment which NatWest could offer Mr F, would be reported onto his credit file. Mr F has explained why he wanted to avoid that, and I do understand why he wouldn't want this, but if he's missed all of a contractual monthly payment, other than under a provision of his mortgage contract or the special arrangements that were put in place for the pandemic, then I would expect that to be reported to the credit reference agencies.

NatWest is, as it said, under an obligation to tell credit reference agencies how its customers are managing their accounts. That's the agreement it has with those agencies, that it will provide honest and accurate information, and it means that in turn NatWest can rely on the information that other lenders provide, as an accurate assessment of how other lending is

being managed. So if a payment is missed, NatWest will record that. It can also record on a credit file when its customers have contacted it to enter into a payment arrangement (so have been proactive, and are addressing the issue) but the underlying information, that the full payment wasn't made, would still be visible to future lenders.

Mr F did then manage to make his payment for the relevant month. I understand that would have been difficult for him. But unfortunately, I don't think there was an alternative informal solution to his problem, with no impact at all on his credit file, which I could fairly and reasonably have expected NatWest to offer, at the time.

I also appreciate that Mr F was also on the phone to NatWest for some time, but I think the payment it has made of £50 does provide a fair and reasonable outcome to that part of Mr F's complaint.

I know that Mr F will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 January 2024.

Esther Absalom-Gough
Ombudsman