

## **The complaint**

Mrs M and Mr M complain that National Westminster Bank Plc has recorded wrong information about their mortgage on their credit files.

## **What happened**

Mrs M and Mr M took out a mortgage with another lender in 2019. In 2021, their mortgage – along with others – was sold to NatWest. Mrs M and Mr M say they had no problems until 2023, when NatWest told them their mortgage was being moved across onto its main mortgage system.

On checking their credit files, Mrs M and Mr M saw what appeared to them to be a brand-new mortgage with NatWest. They were concerned that other lenders would think they had recently refinanced and this would cause them difficulties when they come to apply for a new fixed rate deal in 2024. They complained.

NatWest said it was reporting the mortgage correctly to credit reference agencies. It also sent Mrs M and Mr M a letter confirming that the mortgage is the same one they took out in 2019 with the previous lender, and it sent them some flowers.

Mrs M and Mr M weren't happy with that. They referred their complaint to the Financial Ombudsman Service, and explained that the situation is causing them a lot of stress and worry.

Our Investigator didn't recommend that the complaint should be upheld. She didn't find that Mrs M and Mr M had been negatively impacted by the way NatWest had reported their mortgage on their credit files. She also thought NatWest had been reasonable in sending Mrs M and Mr M a letter which they can provide to prospective lenders if necessary.

Mrs M and Mr M didn't accept that and asked for an Ombudsman's review. They still believed that they would be disadvantaged when they come to apply for a new mortgage deal because NatWest is reporting wrong information.

## **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.

Mrs M's and Mr M's mortgage is one of a portfolio of thousands of mortgages which their previous lender decided to sell and which NatWest decided to buy. While Mrs M and Mr M weren't expecting their mortgage to be moved to another lender and they had no say in what happened, it's not unusual for lenders to sell and buy portfolios of loans in this way. The terms and conditions of their mortgage remained the same after the transfer.

The transfer did, however, mean that NatWest, rather than the previous lender, had to begin reporting the operation of the mortgage to credit reference agencies. Following the completion of the transfer in 2023, when NatWest moved Mrs M's and Mr M's mortgage onto

its system with a new account number, it reported the original mortgage as having been closed and a mortgage with a new reference number having been opened.

Mrs M and Mr M are concerned that this isn't an accurate reflection of what has happened. They took out their mortgage with the previous lender in 2019 and have made the mortgage payments each month as agreed. They haven't refinanced or taken out a new mortgage since 2019 – but they plan to apply for a new fixed rate when their existing one ends in 2024. They're worried that prospective lenders will think, based on what NatWest has put on their credit files, that they only took out their mortgage in 2023 – and they may be disadvantaged as a result.

Mrs M and Mr M are right to say that lenders should report correct information to credit reference agencies and should correct any information they get wrong. But I don't think NatWest has got things wrong here.

Different credit reference agencies show information differently. I've considered the copies of their credit files which Mrs M and Mr M have provided alongside the data NatWest has provided: they show one mortgage account being closed and one being opened on the same day in August 2023, with NatWest. The closed mortgage account shows Mrs M's and Mr M's payment history up to the point of closure, when the new account began being reported. I don't consider this inappropriate or wrong and, while I understand Mrs M's and Mr M's concerns, I think it's very unlikely to cause a problem with applications in future.

Should Mrs M and Mr M find that a particular lender does have an issue with the way in which their mortgage appears on their credit files, NatWest has provided them with a letter they can give to lenders explaining the situation. I consider that was a reasonable approach for NatWest to have taken and, in all the circumstances, I don't require it to do any more to settle this complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 17 January 2024.

Janet Millington  
**Ombudsman**