

## **The complaint**

A company, which I'll refer to as H, complains about the way National Westminster Bank Plc administered a loan. The company says the loan should have been paid and completed by November 2023, but NatWest does not agree.

Mr P, who is a director of H, brings this complaint on H's behalf.

## **What happened**

It is difficult to say exactly what happened here, because neither party has been able to provide documentation from the point of sale.

NatWest has been able to provide details of the payments H made towards the loan, the historic balance of the loan, and the interest rate charged (which was at all times 1.12% over the Bank of England's base rate). That evidence shows that the loan started in 2004, and that significant changes were made to H's payments between 2004 and 2009. But NatWest's evidence does not show why those changes were made.

H made a lump sum payment towards the loan earlier in 2023, and I understand that it has since been repaid in full.

One of our investigators looked at this complaint, but did not uphold it. She thought there might have been some confusion over H borrowing additional money in December 2006 rather than in July 2006 as previously discussed. She also noted that H, which was paying its loan by standing order, did not always amend its payments when interest rates changed – and that will have had an impact on the rate at which the balance of H's loan decreased. But overall, she couldn't see that NatWest had made any errors in calculating the balance of H's loan.

Mr P did not accept our investigator's conclusions, and asked for the matter to be referred to an ombudsman. He said that, from at least June 2009 onwards he believed NatWest had set the payments on the loan such that it would be fully repaid by November 2023.

I wrote to Mr P to explain why I thought he was mistaken. I said it was very unfortunate that I hadn't been able to review any of the loan documentation, but I thought it was likely the original term of the loan was 20 years, from June 2004 to June 2024. Banks usually (but not always) lend for terms of a whole number of years, and so in the absence of other evidence I thought the term was more likely to have been intended to finish in June 2024 than in November 2023.

I also explained that, taking into account the loan balance and the interest rate, I was satisfied that the monthly payments H was making from the end of June 2009 were consistent with a term that ended in June 2024 rather than November 2023.

Mr P said he was not happy with my explanation, but did not provide any further comments.

### **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, whilst I am sorry to further disappoint Mr P there is nothing I can add to what the investigator and I have already said.

I know Mr P feels very strongly that the loan should have been arranged in a way that meant the company's normal monthly payments would repay the loan in full by the end of November 2023. But I don't think the evidence supports his view, and so I am unable to uphold his company's complaint.

### **My final decision**

My final decision is that I do not uphold this complaint against National Westminster Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 7 November 2023.

Laura Colman  
**Ombudsman**