

The complaint

A limited company, which I'll refer to as 'B', is unhappy that National Westminster Bank Plc ("NatWest") converted its Bounce Back Loan ("BBL") to a standard business loan.

B's complaint is brought to this service by its director, whom I'll refer to as 'Mr A'.

What happened

In September 2020, Mr A successfully applied for a BBL on B's behalf, and B received the loan funds shortly thereafter.

In December 2020, NatWest became aware that B had only been incorporated on 25 March 2020 and so didn't appear to meet the eligibility criteria for the BBL scheme, which included that an applicant business had to have been trading before 1 March 2020. NatWest wrote to Mr A about this and asked for proof of B's BBL scheme eligibility. But Mr A didn't respond to NatWest's requests. Because of this, NatWest concluded that B hadn't been eligible to receive a BBL and they converted B's BBL to a standard business loan. Mr A wasn't happy about this, so he raised a complaint on B's behalf.

NatWest responded to B's complaint but didn't feel they'd done anything wrong by converting the BBL to a standard business loan as they had. Mr A wasn't satisfied with NatWest's response, so he referred B's 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 A 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.

I note that Mr A has provided several detailed submissions to this service regarding B's complaint. I'd like to thank Mr A 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 A 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 B 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.

I'd also like to confirm 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.

In this instance, I feel that because it appears that B was only incorporated after the 1 March 2020 trading eligibility deadline for the BBL scheme, it's reasonable that NatWest would consider B to not be eligible to have received a BBL. And because Mr A didn't respond to NatWest's requests for him to provide proof of B's BBL scheme eligibility, I feel that it was a fair outcome here that NatWest converted B's BBL to a standard business loan.

Mr A has explained to this service that he feels that NatWest haven't followed a correct process following the conversion of the BBL to standard business loan. However, as per the rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook – this service can only consider a complaint after the business being complained about has had the opportunity to consider that complaint themselves and to have responded to it.

Mr A doesn't appear to have raised this further aspect of B's complaint with NatWest. And I note that NatWest's complaint response doesn't address it. Instead, of the complaint points that Mr A referred to this service on B's behalf, the only point that NatWest appear to have presently had the opportunity to respond to is B's complaint that the BBL was converted to a standard business loan. As such, If Mr A would like to pursue the further aspect of B's complaint about NatWest's actions after the BBL was converted to a standard business loan, he would need to refer this aspect of B's complaint to NatWest directly – so that NatWest has the opportunity to consider that complaint and to respond to it.

Regarding the aspect of this complaint that I can consider – the NatWest converted B's BBL to a standard business loan – I reiterate that I feel that this is a fair outcome. This is because it appears that B wasn't eligible to receive the BBL loan it applied for and because Mr A hasn't proven B's eligibility for the BBL scheme in response to NatWest's reasonable requests for him to do so.

All of which means that I won't be upholding this complaint or instructing NatWest to take any further action here. I trust that Mr A will understand, given what 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 B to accept or reject my decision before 10 November 2023.

Paul Cooper
Ombudsman