

The complaint

Ms B, a sole trader, is unhappy that National Westminster Bank Plc (“NatWest”) defaulted her Bounce Back Loan (“BBL”) and with the service she received surrounding that.

What happened

Ms B found that she was suddenly unable to make payments to her BBL because she didn’t have a card reader which she now needed to transfer the money to make the BBL payments. This ultimately led to Ms B’s BBL account first falling into arrears and then later being defaulted by NatWest because of those arrears.

Ms B wasn’t happy about this, especially as she couldn’t make the payments to the BBL to prevent that account falling into arrears. And she also wasn’t happy that NatWest hadn’t provided her information about the Pay As You Grow (“PAYG”) payment deferral scheme as they’d promised to. So, she raised a complaint.

NatWest responded to Ms B and said they didn’t feel they’d done anything wrong in how they’d administered the account. NatWest also noted that they had spoken to Ms B about the PAYG options available to her on 8 November 2022 and sent her a link to enable her to apply for a PAYG payment deferral plan that same day. Ms B wasn’t satisfied with NatWest’s response, so she referred her 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. Ms B 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.

Ms B has explained that an apparent change in NatWest’s processes meant that she was unable to make payments towards her BBL online, because she lacked the card reader that had suddenly become necessary for her to be able to transfer money to the account from which the BBL payments were taken.

But there were other means of payment available to Ms B besides her preferred method of online transfer. For instance, Ms B could have telephoned NatWest to verbally instruct the transfer of the payment money into the relevant account. And Ms B did make a payment towards the arrears that had accrued on the BBL by this method in November 2022.

Accordingly, I don’t accept Ms B’s position that she was unable to make a payment towards her BBL. This is because I’m satisfied that alternative payment options remained available to Ms B which she didn’t utilise. And because of this, I feel that Ms B should fairly be deemed responsible for not making the BBL payments – because she didn’t make them by the channels that remained available to her – rather than it being the case that NatWest should be deemed to be at fault for the payments not being made, as Ms B contends.

Because Ms B didn't meet her contractual payment obligations on the BBL, and because she didn't clear the arrears that had accrued on the BBL, I feel that it was fair and reasonable that NatWest would begin the collections and recoveries process that they did, and which ultimately led to the defaulting of the BBL account for non-payment.

Furthermore, NatWest have been able to demonstrate to my satisfaction that they sent numerous items of correspondence to Ms B about the arrears on the BBL and attempted to contact her by telephone on several occasions. As such, I feel that NatWest did fairly attempt to inform Ms B about the arrears on the BBL and about the potential consequences for Ms B of not clearing those arrears.

Ms B feels that NatWest didn't inform her of the PAYG options that may have been available to her. But NatWest's call notes include a discussion of the PAYG options with Ms B on 8 November 2022, at which time NatWest have also demonstrated that an email link to their PAYG website page was sent to Ms B.

Ms B says that she never received the PAYG link from NatWest. But if that were the case, given that I'm satisfied that the PAYG options were discussed with Ms B on the telephone, I feel it was for Ms B to have chased NatWest about this or to have located the PAYG page on NatWest's website herself.

It also must be noted any PAYG payment deferral plan would have only affected Ms B's obligations to make the future BBL payments covered by the plan. And any PAYG plan wouldn't have affected the arrears that were already present on the BBL account at the time the plan was set up. This means that it's likely that Ms B would still have been required by NatWest to have cleared the arrears that were already present on her account unless she engaged with NatWest about those arrears and made an alternative arrangement.

But Ms B didn't clear the arrears that were already present on the BBL in November 2022, and she didn't engage in a meaningful discussion with NatWest about those arrears. And so, even if Ms B had successfully applied to NatWest for a PAYG payment deferral plan, I'm not convinced that the outcome that took place here – the defaulting of the BBL – would have been avoided. This is because I feel that to avoid the likely defaulting of the BBL, Ms B would have needed to take action in regard to the BBL arrears which I don't feel that she's reasonably demonstrated that she was likely to have taken.

Ms B is also unhappy that NatWest transferred her defaulted BBL debt to a debt recovery agency ("DRA"). But the transfer of debt to a DRA is a common practice and one which is addressed and permitted by the terms of the BBL agreement – specifically, section 12 – which Ms B agreed and consented to when she took the BBL. And NatWest didn't require any further authorisation from Ms B beyond this to take the steps they did.

Finally, Ms B is unhappy with how NatWest handled her complaint about her BBL. Specifically, Ms B is unhappy that NatWest didn't instruct the DRA to which her debt was transferred to not contact her about the debt after she'd raised her complaint with NatWest.

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 include that this service isn't permitted to consider a complaint about how a business has handled a complaint. As such, given that this aspect of Ms B's complaint is about NatWest's actions in response to her raising a complaint with them, I'm satisfied that this aspect of Ms B's complaint isn't within my remit to consider.

All of which means that I won't be upholding this complaint or instructing NatWest to take any further or alternative action here. This is because, ultimately, Ms B didn't make the BBL

payments she was contractually obliged to make, and because I'm satisfied that Ms B remained able to make those payments via channels other than by online transfer.

I realise this won't be the outcome Ms B was wanting, but I hope that she'll 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 Ms B to accept or reject my decision before 7 December 2023.

Paul Cooper
Ombudsman