

The complaint

Mrs K complains that National Westminster Bank Plc hasn't removed the adverse information from her credit file after she repaid her debt.

What happened

Mrs K has been a customer of NatWest since 1996. In October 2018, NatWest wrote to Mrs K saying her accounts would be closed after 60 days and that her overdraft should be repaid. Mrs K agreed a repayment schedule with NatWest for her overdraft and loans. Mrs K raised a complaint about the account closures and the information recorded in her credit file. This complaint was referred to this Service and a final response issued in May 2020. Following this Mrs K raised complaints saying that defaults were applied to her credit file and even though it was agreed if she repaid her debts the credit file entries would be removed this hasn't happened.

NatWest said that the entries on Mrs K's credit file are correct. It confirmed that her accounts weren't reported as being in default and that three out of four of Mrs K's accounts were reported as satisfied and the fourth account was not being reported any longer.

Our investigator noted that as the events prior to May 2020 had already been considered by this service, these couldn't be revisited. They said they were satisfied that NatWest had corrected its errors, and appropriately reported activity in respect of Mrs K's current account and personal loans. However, they did feel NatWest had caused distress with setting unreasonable expectations of removing markers. Mindful of the compensation already awarded, they recommended NatWest pay an additional £100.

Mrs K didn't accept that £100 was enough given the upset she had been caused over many years.

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 understand that Mrs K is upset that her repaid accounts haven't been removed from her credit file and that she has been dealing with these issues for a long time. However, in this case as a final decision was issued by this service in May 2020, I cannot revisit any of the issues covered by that decision. Instead, my decision relates to the issues Mrs K has raised since that date. In regard to these I have considered whether the actions taken by NatWest have been reasonable and whether it has treated Mrs K fairly.

NatWest apologised in its final response letter dated November 2022, for a default being reapplied to Mrs K's loan account. It agreed that as it had previously said the default would be removed it shouldn't have been reapplied and the arrangement to pay shouldn't have been removed. Because of this it sent Mrs K a cheque for £100. The letter noted that Mrs K had been told the loan account would be deleted from her credit file once repaid and said this would be requested. In a letter sent dated 5 January 2023, NatWest said that following

contact with its credit file department it had been confirmed that it wasn't possible to delete Mrs K's accounts and as an apology for saying this could happen when it couldn't she was sent £50 of vouchers. It confirmed that the accounts were being correctly reported to the credit reference agencies. A further letter was issued in February 2023 detailing that no defaults were showing on Mrs K's accounts and that three were recorded as satisfied and one was no longer being reported.

Having reviewed all of the evidence in this case, I do not find that I can say NatWest has done anything wrong regarding the information it has reported to the credit reference agencies. The credit report information I have seen shows the accounts flagged as having been in an arrangement and that they are all reported as settled in 2022. The markers on the payment history are showing but as this is an accurate reflection of the status of the accounts, I do not find I can say that NatWest is required to remove this.

While I do not find I can say NatWest is doing anything wrong in how it is reporting Mrs K's accounts to the credit reference agencies I agree that it didn't provide the service it should have. NatWest said that once the accounts were repaid, they could be removed from Mrs K's credit file. It then confirmed that this couldn't happen. I appreciate that this would have been upsetting for Mrs K and I think it right that she is compensated for this.

I understand that Mrs K doesn't think the £100 compensation recommended by our investigator is enough. But as Mrs K was provided with compensation when it was identified that a mistake had been made in saying the credit file entries would be removed and considering the other actions taken and compensation paid in regard to Mrs K's concerns, I find this a reasonable resolution to this complaint.

Putting things right

NatWest should pay Mrs K a further £100 compensation for the distress caused by being told the markers would be removed from her credit file.

My final decision

My final decision is that National Westminster Bank Plc should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 24 November 2023.

Jane Archer
Ombudsman