

The complaint

Mr W complains that The Royal Bank of Scotland Plc (RBS) sent his overdraft debt for recovery after asking it for help with his financial difficulties.

What happened

Mr W had a current account with an arranged overdraft of £2000. He had reached the overdraft limit but couldn't keep up with the monthly charges and repayments. He messaged RBS through its website asking it to close the account, freeze the interest and agree a repayment plan with him.

RBS replied, explaining how he could close the account and gave contact details of its collections and customer service teams to help him with a repayment plan. However, Mr W says RBS sold his debt to a debt collection company without actually helping him.

Our investigator didn't think RBS had done anything wrong so he didn't uphold the complaint. He was satisfied that RBS had responded appropriately to Mr W. He thought RBS had provided the right amount of information to allow Mr W to progress his request for help with his overdraft. Our investigator saw that Mr W had arranged an appointment at an RBS branch but he didn't attend or make a new appointment.

Mr W thinks RBS was quick to sell on his debt but our investigator said it still held his account and the third party agent was helping RBS recover the funds. RBS hadn't sold the debt.

Our investigator looked at Mr W's complaint that RBS didn't let him know about the state of his account. He saw that RBS had sent letters to the address it had for Mr W, but he had moved house without letting RBS know. Mr W thought RBS could've emailed or messaged him but our investigator was satisfied that it did enough. As Mr W was already aware of the position his account was in, our investigator thought that it didn't matter whether he received the letters or not.

In summary, our investigator thought RBS had treated Mr W positively and with sympathy and it wasn't under any obligation to freeze interest or withdraw any charges.

Mr W didn't agree. He remained of the view that RBS sold his debt without realising he would've made payments at the earliest opportunity if he'd known it was going to do so.

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.

While I realise Mr W will be disappointed, I've decided not to uphold his complaint. I'll explain why.

Firstly, it's important to point out that there's no dispute about the overdraft amount owed or any charges applied; that Mr W didn't attend the appointment to discuss repayment, or that he didn't provide RBS with his new address.

I've looked at what RBS should've done under the circumstances, what it did, and whether that was reasonable. I'd expect RBS to treat Mr W positively and sympathetically, to make sure he was aware of the status of his account, and to offer him repayment options.

Mr W was aware of the status of his account because he contacted RBS about his overdraft. RBS sent letters to him but he didn't receive them. Mr W thinks RBS shouldn't have sent letters to an address it knew he didn't have access to. However, there's no evidence to show that he told RBS he had moved away from the only address it held for him. While I realise Mr W might've acted sooner had he received the letters about recovery action, he didn't keep his contact details up to date so it's not fair to say RBS did something wrong.

RBS acknowledged his request for help and asked him to contact its collections team by phone or visit a branch to discuss options. It's clear Mr W was aware of these options because he made an appointment with a branch, which he didn't keep. He didn't make another appointment so RBS wasn't able to discuss options with him.

RBS didn't freeze the interest as Mr W requested. While this is an option available to it, RBS isn't obliged to do so. It applied the interest to the account in line with the terms and conditions and they remain payable by Mr W.

The final point is that Mr W still thinks RBS sold the debt to a third party at a lower value. He thinks he should only have to repay the lower value. I've checked with RBS and it confirmed again that it didn't sell the debt:

"We have not sold the debt on. It is currently with our debt collection agents who act on our behalf in recovering the outstanding amount."

I have no reason to doubt what RBS says.

In summary, I think RBS offered assistance and did everything it should've done. I don't think it treated Mr W unfairly.

My final decision

For the reasons given above, my final decision is that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14July2020.

Debra Vaughan
Ombudsman