

The complaint

Miss G complains about how The Royal Bank of Scotland plc (“RBS”) managed her loan accounts during a forbearance plan and after it ended.

What happened

Miss G has three loans with RBS. On 3 May 2022 she contacted the bank and a forbearance plan was agreed until 1 August 2022. Miss G complained to RBS on 22 August 2008 by phone. Her primary concern was that she’d been told before the forbearance plans were agreed she’d be able to add the arrears which had accrued under the plan onto the end of the agreement. She called again on 20 September 2002 as she was unhappy about further correspondence she received - a formal demand notice - whilst she had her ongoing complaint being investigated. She thought this shouldn’t have happened and was concerned about the impact this would have on her credit file.

RBS sent its final response (“FRL”) Miss G’s complaint on 10 October 2022. It set out the issues she’d raised and gave her referral rights to this service but didn’t uphold the complaint. It detailed the correspondence sent during the plan and said this had all been issued correctly as had the formal notice of demand sent for two of the accounts on 14 September 2022. RBS also said the adviser in the call on 3 May 2022 also told Miss G she’s need to either clear arrears as a lump sum or arrange a repayment plan to repay the arrears. It said she wasn’t advised that she could add the arrears to the end of the loan agreement. And finally, in that same call, Miss G was advised that the forbearance plan would be reported to her credit file and this may affect her ability to obtain credit from other lenders.

Miss G brought the complaint to us. In the complaint form and her response to the investigator’s introductory summary of her case on 26 November 2022 she told us the complaint was also about how accurately the arrangement had been reported on her credit file, she thought the wrong information had been given to the credit agencies.

Our investigator said this additional point on the accuracy of the information reported - as opposed to just the reporting of a forbearance plan - didn’t form part of Miss G’s original complaint to RBS. And, as we didn’t have their consent to investigate that part, it would have to be looked at separately.

Our investigator issued two views and in both she didn’t uphold the complaint. In the first she didn’t think there was any evidence to support that RBS had made any errors so she didn’t ask them to take any further action.

Miss G didn’t agree with the investigator’s findings. She remained of the view that the accuracy of reporting to her credit file had been raised in this complaint. And that excessive duplicated correspondence had been sent whilst confirmation of the forbearance arrangements had not. And the default notice shouldn’t have been sent. Our investigator asked Miss G for more information in respect of the letters and two further call recordings from RBS from 22 August and 20 September 2022.

In her second view the investigator confirmed that despite listening to both these calls her

overall view hadn't changed.

Miss G expressed concerns about how her complaint was being investigated and asked for an ombudsman to review her case. She was disappointed but accepted that the accuracy of reporting to the credit file had to be dealt with separately. She told us the lack of any communication from the bank to confirm the forbearance plans once they'd been set up was a fundamental part of her original complaint. Miss G said she'd been given conflicting information when she'd contacted RBS to confirm and this had led to confusion and it was unacceptable.

She also told us she couldn't see how - when the investigator already accepted the bank were at fault and the bank had apologised - an apology was sufficient for error made when the two default notices were sent on 14 September 2022.

After asking RBS for more information about the hold placed on the accounts and for copies of contact notes and emails, I issued a provisional decision on 12 May 2023.

In that decision I didn't uphold the aspects of the complaint relating to contact during a period of forbearance *or* that the forbearance arrangements weren't confirmed to Miss G after the call. Or those elements relating to the information RBS gave Miss G about the impact on her credit file and the ability to add the arrears, accrued during the forbearance period, to the end of the loan term. But, based on the information in the call recording and what RBS told us I did uphold the part of the complaint about the sending of letters enclosing default notices for two of the three loan accounts. I thought RBS should pay Miss G £100 compensation for the inconvenience this caused.

Both parties responded to my decision and confirmed it was accepted.

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.

Both parties have confirmed they accept my decision. As such there's nothing before me which changes my substantive findings in this complaint. So, I don't see any reason to alter my provisional decision.

Putting things right

The Royal Bank of Scotland Plc should pay Miss G £100 compensation.

My final decision

My final decision is that I uphold the part of this complaint about sending letters enclosing default notices for two of the three loan accounts. The Royal Bank of Scotland Plc should pay Miss G £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 27 July 2023.

Annabel O'Sullivan
Ombudsman