

The complaint

Mr E complains that The Royal Bank of Scotland Plc ("RBS") passed his debt to a debt collection agency.

What happened

Mr E holds an account with RBS. Due to Mr E's financial circumstances, he hasn't made payments to the account for some time.

On 1 November 2023 RBS sent an email to Mr E advising him that a review had been conducted and that they would be happy to accept £1 per month for 12 months. RBS asked Mr E to respond by 11 November 2023.

On 2 November 2023 RBS received an email from Mr E asking for a call at 4.30pm. RBS called Mr E at 4.30pm but the call went to voicemail. A message was left asking Mr E to contact them.

As RBS hadn't heard back from Mr E or received any payments to the card by 3 December 2023, the account was transferred to a debt collection agency. RBS sent a letter to Mr E on 7 December 2023 confirming this.

In February 2024 Mr E spoke to RBS. An agent told him that the debt would be recalled from the debt collection agency. However, following the call, Mr E received further correspondence from the debt collection agency.

Mr E complained to RBS. He said he'd been advised that the debt wouldn't be passed to a debt collection agency whilst he was in contact with RBS. He was unhappy that he hadn't been told that the debt had been passed to a debt collection agency. Mr E was unhappy about the way the customer services agent had spoken to him when he called in February 2024 and said he hadn't been advised that there would be a delay in recalling the debt back from the debt collection agency.

RBS issued a final response in which it said it had passed the debt to a debt collection agency because it hadn't heard from Mr E about the payment plan. RBS said it had listened to the call where the agent told Mr E that the debt would be recalled from the debt collection agency. RBS said that the agent should've made Mr E aware that it might take a few days for the debt to be recalled. RBS awarded Mr E £50 in compensation for this. RBS said it had listened to the call and had found no error in the way the agent had handled the call.

Mr E remained unhappy and brought the complaint to this service. He wants RBS to write off the debt and pay compensation.

Following the referral of the complaint to this service, RBS offered further compensation of £200.

Our investigator thought the offer was fair. He said he didn't think RBS had made an error in passing over the debt because Mr E hadn't responded regarding the payment plan. The

investigator acknowledged that there had been some confusion when Mr E spoke to RBS in February 2024 when he was told that the debt may have been passed over in error. The investigator said that this was incorrect information. He said that due to the error, RBS had recalled the debt, but the agent failed to tell Mr E that this might take a few days to complete. The investigator said that taking everything into account he thought the further compensation offered was fair and reasonable resolution.

Mr E didn't agree. He said he thought RBS should've called or emailed him before passing over the debt. He said he didn't accept that RBS had called him and left a message on 2 November 2023. He wants the debt written off and compensation for the stress he's been caused.

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 know it will disappoint Mr E but I agree with the investigator. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Mr E has said that he was given an assurance by RBS that the account wouldn't be passed to a debt collection agency all the time he was in contact with them. I've looked into what happened leading up to the point where the debt was passed over.

I can see that Mr E provided a financial statement to RBS, which it reviewed. Following the review, RBS wrote to Mr E and offered a payment plan of £1 per month. The letter asked Mr E to contact RBS by 11 November 2023. I can see that Mr E sent an email asking RBS to call him. I can also see that RBS called Mr E as requested and left a voicemail as there was no answer.

Mr E has queried whether RBS called him and left a message. RBS has provided the call and I'm satisfied that it did so.

The deadline of 11 November passed, and RBS still hadn't heard from Mr E. On 3 December 2023 the debt was passed over.

Having reviewed everything, I don't think RBS made an error when it passed the debt over. I say this because RBS had tried to assist Mr E by offering the payment plan and calling him and leaving a message. However, in the absence of Mr E calling back or making any payments, I don't think it was unreasonable of RBS to pass the debt over. I also think RBS gave Mr E a fair amount of time to contact them by leaving it another 3 weeks past the deadline of 11 November 2023 before passing the debt over.

Turning now to the telephone call in February 2024. I've listened to the call. The agent told Mr E that the debt may have been passed over in error. I haven't seen any evidence to suggest that the debt was passed over in error and I think this was a mistake by the agent. Notwithstanding this, because of the mistake, the agent recalled the debt back from the debt collection agency. I agree that Mr E should've been warned that it might take several days for the debt to be recalled. I appreciate that it would've been distressing for Mr E to have further contact from the debt collection agency after he thought the debt had been recalled. RBS has already paid £50 compensation for this error.

As I understand it, the debt has now been recalled from the debt collection agency and is back with RBS. I appreciate that Mr E wants the debt written off. RBS has said that in order to consider doing this, it will need an up to date financial statement from Mr E as well as medical evidence. If Mr E needs a further income and expenditure template or is unsure of what medical evidence RBS require, he should contact them directly to request this.

Taking everything into account, I'm not persuaded that RBS made any errors when it passed the debt over to the debt collection agency. But I agree that RBS made errors when it spoke to Mr E in February 2024. It incorrectly told him that the debt may have been passed over in error, and it failed to explain that there would be a delay in the debt being recalled from the debt collection agency.

I've thought about whether the further compensation of £200 is a fair and reasonable resolution to the complaint and on balance, I think it is. I'm satisfied that the overall compensation fairly recognises the impact of the errors I've identified and is in line with what this service would award.

Putting things right

To put things right, The Royal Bank of Scotland Plc must pay further compensation of £200 to Mr E.

My final decision

My final decision is that I partially uphold the complaint. The Royal Bank of Scotland Plc. must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 November 2024.

Emma Davy
Ombudsman