

The complaint

Mrs J is unhappy that The Royal Bank of Scotland (“RBS”) won’t allow her to consolidate three existing loans she has with it into one new one.

What happened

Mrs J’s complaint was considered by one of our investigators who came to the view that it shouldn’t be upheld. In summary she said that RBS’ decision to decline Mrs J’s request was a commercial one that it was entitled to make and one we were unable to look into.

Mrs J didn’t agree with the investigator’s view so her complaint has been passed to me for review and 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.

I appreciate why Mrs J feels that consolidating all her three loans into one would be beneficial to her and possibly to RBS. But banks are free to determine on what basis to support – or continue to support – a particular customer. And a bank’s commercial judgement extends to making decisions about whether to consolidate, or not to consolidate, a customer’s existing borrowing with it.

Our service will not usually interfere with a bank’s commercial judgement provided it’s exercised legitimately and reasonably. And based on everything that Mrs J and RBS have said and submitted I’m satisfied that is what has happened here.

Although I’m not upholding Mrs J’s complaint, I would like to remind RBS of its obligation to exercise forbearance and due consideration if Mrs J has difficulty making her existing loan payments going forwards.

My final decision

My final decision is I don’t uphold Mrs J’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs J to accept or reject my decision before 5 March 2025.

Peter Cook
Ombudsman