

The complaint

Mr W is unhappy with The Royal Bank of Scotland Plc. Mr W had a £2,000 overdraft attached to his current account. Mr W said without his knowledge or consent RBS reduced it to £1,500 which he said caused him financial difficulties.

What happened

Mr W said RBS acted unfairly and impacted on his lifestyle when it lowered his overdraft limit. He said this made life very difficult for him. Mr W said the bank needed his consent and it hadn't even let him know in advance it was going to reduce it. Mr W pointed out he had health issues and medical conditions that left him vulnerable. He said RBS wasn't taking his personal circumstances into consideration. RBS didn't agree, it said an email was sent to Mr W six weeks in advance of the change and as he didn't respond it was entitled to reduce the overdraft in line with the terms and conditions of his account. Mr W brought his complaint to this service.

Our investigator didn't uphold the complaint. He said this service can't interfere with a bank's commercial judgement unless there's evidence of errors or maladministration. In this case he said there was no sign of either. He noted RBS had said the overdraft hadn't been used in a long time when it conducted an account review. He confirmed there was no automatic right to an overdraft and that RBS had let Mr W know in advance it was going to reduce the limit. Our investigator didn't think RBS needed to reinstate the £2,000 limit Mr W previously had. He accepted the RBS evidence that it had sent email notification in advance to Mr W. He didn't think RBS acted unreasonably or unfairly.

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've read and reviewed all the evidence. But I'm only going to deal here with the original complaint point and the central facts.

Mr W is very upset about RBS actions here and said it has a big impact on him. He said he suffered terribly between late 2022 and spring 2024 with his physical and mental health. In September 2023 RBS sent an email to Mr W confirming the overdraft would decrease from £2,000 to £1,500.

But Mr W said he never saw the email. As far as he's concerned he didn't consent, wasn't asked about it, and wasn't made aware of the decrease in advance of it happening.

Mr W continued that due to his poor health this was at a time when he needed more support from the bank, not less. He said he was having to go for numerous hospital and doctor's appointments and was spending out on taxis and transport. Mr W pointed out how this was impacting on his account and RBS sent him £30 compensation. On another occasion RBS paid Mr W £10 for a further fare he didn't have the money for in his account.

Mr W said his treatment had been inhumane and humiliating.

RBS apologised as Mr W was upset. But it didn't agree with the complaint. It said Mr W would have received regular online statements confirming his balance and showing the overdraft limit as well as the funds available. It noted the overdraft hadn't been used for a long period – the account had been in credit since November 2022.

It confirmed it sent the email six weeks in advance of reducing the overdraft in October 2023, along with confirming the email address this was sent to.

Apart from apologising RBS also noted it had credited a total of £40.00 in gestures of goodwill into Mr W's account.

RBS confirmed all requested call backs by Mr W had been fulfilled and followed up with email confirming Mr W could contact certain RBS staff individually on direct numbers if that would help.

RBS noted its email about the reduction was sent on 11 September 2023 and the reduction took place on 19 October 2023. It said if Mr W had made contact it would have discussed the situation with him and there was a possibility it wouldn't have reduced the amount. It said now that the reduction had been made it can only be increased again if Mr W applies for an increase and RBS can consider the request – currently Mr W hasn't made a request.

I accept that RBS did send out the email notification to Mr W. So, although he may not have seen it, I've no reason not to believe RBS. Either way that did leave RBS with the option to decrease the overdraft. This is in line with the bank account terms and conditions, so I don't think RBS acted unreasonably or unfairly when it lowered the overdraft limit. I can't see that RBS made any mistakes here.

Mr W said the reduction left him with little or no money at a difficult time paying for expenses around his medical treatment. But RBS said Mr W hadn't made it aware of this situation and hadn't asked it for any options around further support.

Mr W himself made the point as part of his wider banking issue *"RBS were technically within their rights, but banks should not be able to do this."*

Mr W made lots of further remarks and points about the banking industry and is writing a report on it. But that doesn't influence what happened regarding his complaint and RBS's actions around his overdraft. The wider issues and report Mr W wishes to pursue are likely to be matters for the regulator The Financial Conduct Authority (FCA).

My final decision

I don't uphold this complaint.

I make no award against The Royal Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 March 2025.

John Quinlan
Ombudsman