

The complaint

Mr L is unhappy with the service he's received from The Royal Bank of Scotland Plc (RBS) when he exceeded his overdraft limit, and he subsequently requested a repayment plan.

What happened

Towards the end of December 2024, RBS informed Mr L that, as he'd gone beyond the overdraft limit on his bank account, he needed to make an immediate repayment.

As Mr L didn't have the funds to fully pay RBS he asked them for a repayment plan, and this was agreed after an income and expenditure review.

In February 2025, Mr L discovered a marker had been entered onto his credit report. As he'd been making payments in line with the plan he thought this must be an error, so he complained to RBS.

RBS explained that:

- *'When an arrangement for a balance that is an excess or arrears, the account will be reporting monthly missed payments or excess balances'*
- *'This is reported alongside an arrangement marker showing that there is a repayment plan in place for this balance'*
- The arrangement marker will remain in place while he continues to make the repayments

Mr L didn't think this was right, so he brought his complaint to our service. However, our investigator couldn't see RBS had done anything wrong.

As Mr L remains dissatisfied his complaint has been referred to me to look at.

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.

Having done so, I'm unable to uphold this complaint and ask RBS to remove their entries. And I'll explain why.

I should first say:

- I'm sorry to hear of this stressful situation for Mr L and I recognise his concern in having negative information showing on his credit file.
- I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.
- My role is to independently evaluate the evidence provided by both parties. So,

where evidence is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Having considered the file notes, including timeline of events and call records, I'm satisfied that Mr L exceeded his overdraft limit, and RBS gave him the opportunity to bring the balance of his account up to date – in line with the terms and conditions of the account.

Unfortunately, Mr L couldn't afford to pay RBS back in full and I'm satisfied that RBS clearly explained the position and then acted fairly and reasonably by offering him a repayment plan.

RBS is a regulated bank, has a clear responsibility to act as responsible lender and has a duty to report up-to-date financial information accurately to the credit reference agencies. And it is reasonable that this includes a repayment plan where a customer can't afford to repay them and fulfil an agreement.

I think it more likely than not that the call script (mentioned in RBS's records), was read out to him (as indicated) and that all the implications of exceeding the overdraft limit and setting up a repayment plan would've been explained to him.

Whilst I sympathise with Mr L's situation, having considered the above and all the information on file, I don't consider RBS's action here to be either unfair or unreasonable.

My final decision

My final decision is that I'm not upholding this complaint against The Royal Bank of Scotland Plc.

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

Paul Douglas
Ombudsman