

The complaint

Mr F complains about the fees and interest that The Royal Bank of Scotland plc has applied to his account for purchases of e-gift cards.

What happened

Mr F used his Royal Bank of Scotland credit card to purchase three e-gift cards in December 2024. The values of the gift cards were £20, £30 and £50. Cash fees of 60p, 90p and £1.50 were applied to his account and he was also charged interest of £1.05. He complained to Royal Bank of Scotland about the fees and interest and said that he wanted compensation of £350.

It said that vouchers are considered a form of currency so they are treated as cash advances on its credit cards, which is explained in the account terms and conditions. It refunded fees and interest, totalling £4.05, to Mr F's account. It said that Mr F had alleged that he'd made similar payments in the past that weren't subject to a charge and it said that if he gave examples of where that had happened, it would look into them further.

Mr F wasn't satisfied with its response and complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. He said that Royal Bank of Scotland had shown that the transactions were processed correctly and fees applied under the terms of the account.

Mr F didn't accept the investigator's recommendation so I've been asked to issue a decision on this complaint. Mr F says that interest has been added to all credit card repayment bills for subsequent months since those purchases and, despite promises issued by Royal Bank of Scotland that such charges would be refunded in full, that hasn't occurred.

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.

Mr F used his Royal Bank of Scotland credit card to pay for three e-gift cards in December 2024. Royal Bank of Scotland's standard credit card agreement says: *"Advances are when you use your credit card account for: ... purchasing ... payment cards, vouchers ... You will be charged a Cash Fee for all Advances"*. Its terms and conditions also say that interest is charged on cash advances from the date debited to an account until repaid in full.

Royal Bank of Scotland applied cash fees of 60p, 90p and £1.50 to Mr F's account for the purchases of the e-gift cards and he was also charged interest of £1.05. It says that the three payments were for the purchase of vouchers which are cash equivalents as they can be used to make purchases and the merchant codes for the transactions show that they were point of interaction funding transactions.

I consider that Royal Bank of Scotland has correctly dealt with the purchases of the e-gift cards as cash advances and was entitled to apply cash fees and to charge interest on the

payments made by Mr F. When Mr F complained to Royal Bank of Scotland it said that the interest and fees were applied correctly but it was happy to refund £4.05 to Mr F's account. I don't consider that it was required to refund the fees and interest to Mr F.

Mr F says that interest has been added to all credit card repayment bills for subsequent months since those purchases and, despite promises issued by Royal Bank of Scotland that such charges would be refunded in full, that hasn't occurred. The terms and conditions say that interest is charged on cash advances from the date debited to an account until repaid in full and I'm not persuaded that there's enough evidence to show that Royal Bank of Scotland has charged interest incorrectly on the three e-gift card purchases made by Mr F. Nor am I persuaded that Royal Bank of Scotland promised to refund all of the interest applied to Mr F's account – it said that it was refunding £4.05 to his account, which it has done.

Mr F says that he's made similar payments in the past that weren't subject to a charge. Royal Bank of Scotland said that if Mr F gave it examples of where that had happened, it would look into them further, but I can't see that Mr F has provided any such examples to Royal Bank of Scotland.

Mr F says that fair compensation for all of the work and effort enforced on him by Royal Bank of Scotland is £350. Royal Bank of Scotland has refunded interest and fees totalling £4.05 to Mr F's account but I'm not persuaded that it acted incorrectly in applying fees and charging interest on the three e-gift card purchases made by Mr F and I don't consider that an award of any compensation is justified. I find that it wouldn't be fair or reasonable in these circumstances for me to require Royal Bank of Scotland to pay any compensation to Mr F or to take any other action in response to his complaint.

My final decision

My decision is that I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 August 2025.

Jarrold Hastings
Ombudsman