

The complaint

Mr O complains that The Royal Bank of Scotland Plc ('RBS') didn't approve him for a personal loan and handled his subsequent complaint poorly.

What happened

On 13 May 2025, Mr O sought a loan for £10,000 from RBS. Mr O was unhappy that despite explaining his financial situation and being a loyal and longstanding customer, RBS refused to lend to him.

Mr O complained but RBS didn't agree they'd got things wrong. RBS explained they offered an eligibility check and outlined some of the circumstances in which they'd pre-decline a loan application.

Mr O wasn't happy with RBS' response nor the manner in which they handled his complaint, so he asked the Financial Ombudsman Service for an independent review. Mr O said he'd cashed in investments when the loan was refused, so he'd suffered financial loss.

Our investigator considered what had happened but didn't recommend Mr O's complaint be upheld. She concluded that RBS had acted fairly when assessing Mr O's eligibility for a loan with them, and when handling his complaint.

Mr O disagreed and asked for an ombudsman's decision, so the matter has come to me to decide.

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 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.

Having done so, I have decided not to uphold Mr O's complaint. I'll explain why, though I broadly agree with our investigator.

The Financial Ombudsman Service is unable to consider complaints about a firm's complaints handling, as we only investigate complaints about the provision of financial services. I am sorry to disappoint Mr O but this means I am not going to address his concerns about how RBS handled his complaint. The way the complaint was logged and responded to hasn't affected my ability to consider it.

The Financial Ombudsman Service doesn't have the power to make rules for financial businesses, in terms of directing that they should change their policies or procedures. That is the role of the regulator, the Financial Conduct Authority ('FCA'). This means I can't interfere with RBS' process for assessing loan applications, or with the lending criteria RBS set.

Mr O accepted he might have a poor credit rating but took the time to explain he was in good financial shape. He was expecting RBS to take a more holistic approach to his application and provide a customised loan to suit his personal financial situation. I can understand Mr O's frustration that his loan application was subjected to RBS' automated process, but I don't agree this is unreasonable as it ensures all customers are treated consistently.

RBS say they have an eligibility checker to help pre-determine whether a loan will be granted without leaving a negative impact on an individual's credit file. I think that's fair. Unfortunately Mr O didn't meet RBS' eligibility criteria at the time, and I recognise this was disappointing for Mr O. However this does mean Mr O avoided a fruitless hard search on his credit file, as a full loan application wasn't made.

What I'd expect here is for RBS to provide Mr O with the main reason he wasn't eligible for the loan, offer to review their decision if appropriate, and support Mr O to improve his chances if he chose to apply again in future. I'm satisfied that RBS provided this information and offered support to Mr O in their final response to his complaint.

I recognise Mr O thinks RBS' lending decision was absurd given the assets he's referred to, and his customer history. I think RBS would have provided human intervention if Mr O had been declined following a full loan application. RBS' final response letter set out they'd consider further evidence if Mr O sought an appeal in these circumstances. I agree with our investigator that any human intervention would still be subject to the limits of RBS' lending policy.

Whilst fully acknowledging Mr O's disappointment as a long-standing premier customer of RBS, I don't think Mr O's been treated unfairly by RBS in these circumstances. It follows that I'm not going to ask RBS to take any action on this occasion.

My final decision

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 December 2025.

Clare Burgess-Cade
Ombudsman