

The complaint

A limited company, which I'll refer to as 'T', complains that The Royal Bank of Scotland Plc ("RBS") accepted a standing order payment that T didn't expect would be made to its Bounce Back Loan ("BBL").

T's complaint is brought to this service by its director, whom I'll refer to as 'Ms P'.

What happened

In February 2025, Ms P contacted RBS and asked that T be emailed a link to enable her to apply for a Pay As You Grow ("PAYG") payment holiday on T's BBL. RBS emailed a link to Ms P, but they emailed a link for another bank in their group, and not for RBS. Ms P used the link and applied for a PAYG payment holiday, but because the link was for a different bank, with which T didn't hold a BBL, her application wasn't successful.

T had a standing order in place on the 11th of each month to make its monthly payments to its BBL. Because no PAYG payment holiday had been set up on T's account, the next scheduled payment was presented to RBS by standing order, and RBS accepted that payment. Ms P wasn't happy about this and raised a complaint with RBS on T's behalf.

RBS responded to Ms P and accepted that had the correct link been sent to Ms P, she would have successfully applied for a PAYG payment holiday so that no payment from T would have been due. Accordingly, RBS reimbursed the taken payment to T and sent Ms P the correct link to apply for a PAYG payment holiday.

However, Miss P didn't use the correct PAYG link that she'd been sent, but instead contacted RBS and asked for a settlement figure to fully repay T's BBL. On 5 March, RBS provided a loan settlement figure to Ms P, which they said would be valid until the end of the month. However, because T's standing order remained in place, on 11 March the next scheduled loan payment was presented to RBS, and RBS accepted that payment.

Ms P wasn't happy about this and again complained. But RBS explained that until the loan was settled the terms of the loan, including the repayment terms, applied. Ms P wasn't satisfied with RBS's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that RBS had acted unfairly towards T by accepting the standing order payment presented to it on 11 March and so didn't uphold the complaint. Ms P disagreed, so the matter was escalated to an ombudsman for a final 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.

Having done so, while I appreciate that this will come as a disappointment to Ms P, I won't be upholding this complaint or instructing RBS to take any further or alternative action. This

is because I feel that RBS's reimbursement of the February payment and their sending of the correct PAYG link already represents a fair outcome to that aspect of T's complaint. And because I don't feel that RBS acted unfairly by accepting the standing order for the March payment that was presented to it.

I've reviewed the email exchange between Ms P and RBS, including the message from RBS on 5 March when they provided the loan settlement figure to Ms P. And I note that, after providing the settlement figure, this message included the following:

"If you are able to make this payment by the end of this month, I shall arrange to cover any additional interest accrued."

Ms P feels that it was implicit in that statement that she had until the end of the month to make the settlement payment and that no further scheduled loan payments would be required. I don't agree, and while I feel it would have been beneficial if RBS had included a brief explanation that the upcoming payment would still be due, I don't feel that there is anything in that message that reasonably suggests that the contractual payment terms of the loan don't apply.

When a loan is being settled, the contractual repayment terms only cease when the settlement payment is made. This means that scheduled payments remain due until the loan is settled. This makes sense to me, because if RBS didn't accept the scheduled loan payment in March, and if Ms P didn't then honour her promise to make the settlement payment by the end of the month, then T's BBL would be in arrears and would be reported as such to the credit reference agencies to T's potential detriment – because RBS wouldn't have accepted a scheduled loan payment that was presented to it.

So, while Ms P feels that it was implicit that no further scheduled loan payments would be required, I feel that the opposite is true – that it was not suggested that the contractual repayment terms of the loan would not apply, meaning that they would. And I feel that it was for Ms P to have confirmed this fact with RBS, rather than mistakenly assume that the upcoming March payment wouldn't be accepted.

This is especially the case given that T's payments were set up to be paid by standing order. Payments by standing order are set up and maintained by the payer – in this case, Ms P. This means that if Ms P didn't want the March payment to be presented to RBS, she needed to cancel the standing order before the payment date. But Ms P didn't do that, and I don't feel that RBS acted unfairly by accepting that payment, for the reasons explained above.

Finally, Ms P has said that because RBS accepted the March payment, she was unable to pay some of T's staff. But Ms P has also confirmed that had RBS made her aware that T needed to make the settlement payment before the scheduled March payment date, she would have settled the loan immediately, because T had the funds available. These two positions appear contradictory, and I question how the taking of a £900 payment could have resulted in T not being able to pay staff members when by Ms P's own admission T had money available to make a loan settlement payment of several thousand pounds.

All of which means that I don't feel that RBS need to do anything further here in regard to this complaint, and it therefore follows that my final decision is that I do not uphold this complaint or instruct RBS to take any form of action. I trust that Ms P will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 11 December 2025.

Paul Cooper
Ombudsman