

The complaint

Mr D complains about how Shawbrook Bank Limited ('Shawbrook' or the 'bank') has handled his account in response to him experiencing financial difficulties. Mr D also says Shawbrook has discriminated against him.

What happened

In April 2016, Mr D entered into a fixed sum loan agreement (the 'agreement') with Shawbrook. It provided him with credit of £10,000. Under the agreement he was required to make 60 monthly payments at £223.43. However, since around 2018, he has been experiencing financial difficulties and as a result, his account fell into arrears. Mr D restarted making repayments in line with the contractual amounts, but his account remained in arrears. A default notice was issued by Shawbrook in February 2018. However, because of Mr D's particular circumstances, it decided not to default the account.

In September 2024, Mr D made several complaints about how Shawbrook was handling his account and how it has dealt with him as a vulnerable consumer. In respect of this particular complaint, Mr D says Shawbrook has failed to offer him the right level of support; it shouldn't have sent him a budget planner to complete when it should know this impacts negatively on his mental health; and Shawbrook is unfairly reporting the arrears on his account.

In its final response letter dated 1 November 2024, Shawbrook didn't uphold Mr D's complaint. Mr D referred the matter to our Service. Our investigator considered Shawbrook had acted fairly and reasonably so they didn't recommend upholding the complaint. Mr D disagreed and made several points including that Shawbrook should've agreed to consolidate his debt; it shouldn't continue to ask him to complete budget planners; and it hasn't dealt with him as a disabled customer appropriately in line with regulations and the law. Our investigator reconsidered Mr D's complaint but still didn't recommend upholding it. So, the matter has been passed 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 appreciate the detailed submissions Mr D has made to this Service. But I'll only focus on those matters I think are relevant to this complaint. No discourtesy is meant by this – it simply reflects our informal remit.

Mr D considers Shawbrook has failed to make reasonable adjustments and has discriminated against him. And as such, he considers Shawbrook has breached the Equality Act 2010. I should note at the outset that the Equality Act 2010 only becomes relevant if Mr D does have a disability. Given his long-term mental health conditions, in my view, I think it's likely a Court would find he is disabled as defined by the Equality Act 2010. However, it's not my role to say whether a business has acted unlawfully or not – that's a matter for the Courts. My role is to decide what's fair and reasonable in all the circumstances.

That said, although it's for the Courts to say whether or not Shawbrook has breached the Equality Act 2010, I'm still required to take the Act into account if it's relevant when deciding what is fair and reasonable in the circumstances of the complaint. Further, I've also taken into account relevant regulations published by the Financial Conduct Authority ('FCA') on what regulated businesses must do to meet the needs of vulnerable consumers who may be vulnerable due to a disability.

Mr D's main complaint is that Shawbrook is discriminating against him because it sends him a budget planner each year to check on his financial situation. The background to this is that Mr D had told Shawbrook since around 2018 that he was experiencing financial difficulties and subsequently, his account has remained in arrears. So, Shawbrook has reviewed Mr D's circumstances yearly and this has involved it sending him a budget planner to assess whether the repayments he is making are still affordable to him.

I appreciate Mr D has complained about this previously and I can see he finds being asked for this information upsetting, which I'm sorry to hear is the case. But a business requires up to date details of a customer's means. So, it's likely that Mr D would still be asked about his financial circumstances that would require him to have to think about, amongst other things, his income and expenses which is what the budget planner was seeking to do. It should be borne in mind that by checking in on Mr D's financial situation, it may also prevent Shawbrook from asking for a payment that may no longer be affordable to him. So, the process isn't always designed to ensure the bank obtains more money from a consumer but rather to safeguard its customers.

In any event, when Mr D contacted Shawbrook to let it know his situation hadn't changed and explained he didn't want to complete the budget planner, I can see it did listen to this. As Mr D says himself, he wasn't required to actually complete the form once he told Shawbrook he was happy to pay what he had been paying up until that point. So, in my view, Shawbrook has adjusted its processes in the way it thought best such as agreeing for Mr D to continue with the repayment plan even in the absence of him not completing its budget planner. I think Shawbrook has acted fairly and reasonably in this regard.

Further, I've seen nothing which makes me think Shawbrook has breached the FCA rules or (for example) the Consumer Duty requirements that require businesses to treat all customers fairly. Shawbrook has clearly been aware that Mr D is a vulnerable customer, and this is clear from the way it has handled his account. In addition to what I've highlighted above, Shawbrook hasn't defaulted Mr D's account because it wanted to continue to work with him rather than to pass matters over to a debt collection agency. In my view, it seems Shawbrook looked at all the circumstances of Mr D's case including his vulnerability and took appropriate steps to address this. I accept Mr D is concerned about a default not being registered on his account sooner rather than later. However, taking into account all the circumstances of this case, I can't say that Shawbrook reached an unreasonable or unfair decision here.

Mr D says he considers Shawbrook is being unfair in the way it is reporting his account to credit reference agencies ('CRA's). In particular, he says that it should be saying he is, in effect, in a payment arrangement. However, as Mr D wasn't in a position to make additional payments to clear the arrears within the remaining term, Shawbrook had no other option other than to accept what Mr D was able to pay. That's not really an agreed arrangement as such but rather Shawbrook exercising, what I consider to be reasonable forbearance in light of Mr D's financial difficulties. I can't say that Shawbrook has acted unfairly for reporting Mr D's arrears. It has a duty to report accurate information to the relevant CRA's and from what I've seen, this is what it has done in Mr D's case.

In terms of what Mr D has said about Shawbrook not looking at other options to support him such as consolidating his debt, I can't say that it has acted unfairly or unreasonably here. Just because there may have been other options in the way it responded to Mr D in terms of

his financial difficulties and being a vulnerable consumer, that doesn't mean the option it chose (i.e. to accept the repayments Mr D could afford to repay, not defaulting the account and not passing the matter to a debt collection agency), was an unfair or unreasonable thing to do. I accept other firms may have chosen to do things differently, but I think Shawbrook has exercised a reasonable level of forbearance in line with its regulatory duty to do so.

Overall, I consider Shawbrook has tried to address Mr D's situation having proper regard to his vulnerability. Given that he's not always been able to meet the terms of the agreement, I think it's treated him fairly and reasonably taking into consideration his needs and requirements.

So, for all the above reasons, and whilst I know it will be a disappointing outcome for Mr D, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding the complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 30 December 2025.

Yolande Mcleod
Ombudsman