

The complaint

The Royal Bank of Scotland Plc ('RBS') provided Mr C with an overdraft of £750 in February 2022. This is the third overdraft increase RBS had given him, the first being given in May 2017 when it was initially set at £40 and then a second in March 2019 when it was set at £300.

Mr C says RBS shouldn't have agreed to the third increase and failed to monitor the overdraft for financial difficulty.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr C's case.

I've decided that RBS acted fairly because:

- I think the checks RBS used when agreeing the overdraft and the increase were reasonable and proportionate, given the overdraft limit being granted and what it already knew about Mr C's financial situation. The checks included looking at other accounts and working out Mr C's typical monthly expenses. They didn't suggest that Mr C was having financial difficulties or was overindebted.
- I also think the checks RBS used were enough to monitor and review Mr C's overdraft usage. Although Mr C was making use of the overdraft from time to time, he was able to reduce his balance when he was paid and then only relied on it for part of that month. There were no other signs of financial distress.
- Based on what RBS's checks found when monitoring Mr C's overdraft and on what it knew about his circumstances, there wasn't enough to suggest he was likely to be unable to continue repaying his overdraft or that being able to use it was worsening his financial situation.
- I also see RBS wrote to Mr C to make him aware of his overdraft use and to offer help with managing it on several occasions in 2023 and 2024, so I don't think RBS acted unfairly in any other way.

This means I don't think RBS did anything wrong, either when it provided Mr C with the overdraft increase in the way it monitored his use of it. And I've thought about the fact that

he borrowed from his partner to pay off the overdraft when he changed banks, but I don't consider that means the overdraft was unaffordable.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think RBS lent irresponsibly to Mr C or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr C hoped for, and I realise he'll be disappointed. But for the reasons above, I'm not asking RBS to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr C's complaint about The Royal Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 14 January 2026.

Michael Goldberg

Ombudsman