

The complaint

Mr L is unhappy that The Royal Bank of Scotland Plc ('RBS') failed to send him a copy of his loan agreement when he requested it.

What happened

The complaint circumstances are well known to both parties, so I don't intend to list this chronologically and in detail. However, to summarise, Mr L entered into a regulated loan agreement with RBS in May 2001. This was a £100,000 loan for Mr L's business, and only interest payments were due – the capital was not due to be repaid until Mr L left the business or retired, whichever is sooner.

In December 2023, Mr L asked RBS for a copy of the loan agreement. They told him they would send this, but he never received it. He chased this up on a number of occasions and, in May 2024, RBS advised Mr L they couldn't find a copy of the agreement. Unhappy with this, Mr L complained to RBS in August 2024.

RBS issued their complaint response letter on 19 September 2024. They explained that, due to their record keeping requirements, the original paperwork for the loan was no longer held. They apologised for not telling Mr L this sooner, and for the poor service he'd received when they handled his request. They offered Mr L £150 compensation for their errors and said that his Premier Banking Wealth Manager ('PBWM') would be in touch with the current details of how much was owed, and how the interest was being calculated.

Mr L wasn't contacted by the PBWM, so he brought this matter to the Financial Ombudsman Service for investigation.

Our investigator confirmed the details of the loan, but felt that RBS should have provided this information from the outset. However, they thought the compensation RBS had offered – which had been increased from £150 to £250 – was reasonable in the circumstances. So, the investigator didn't think RBS needed to do anything more.

Mr L didn't agree with the investigator's opinion. He said that it took RBS around 18-months to confirm the terms of the loan agreement, and that was only after our intervention. He also said, as a premium account holder, he pays RBS around £20 a month. So, for the time he's waited for RBS to confirm the loan details, he's paid them around £360, which doesn't equate to a 'premium' service. He asked if RBS would consider refunding this, in addition to the £250 compensation they'd offered.

RBS weren't prepared to increase their offer of compensation, so this 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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

The basic facts of this matter aren't disputed – RBS delayed in advising Mr L why they were unable to provide a copy of the loan agreement, and they subsequently failed to provide him with the basic details of the loan which they said they would in their letter of 19 September 2024. This information wasn't provided to Mr L until May 2025, as part of our investigation – some 17-months after this information was requested. As such, I'm satisfied that I don't need to consider the merits of this issue within my decision. Instead, I'll focus on what I think RBS should do to put things right.

Putting things right

RBS have offered Mr L £250 compensation. However, Mr L has raised the issue of the amount he'd paid RBS for a premium bank account during the period of delay, which is more than they'd offered him in compensation.

While I appreciate Mr L is a customer of RBS, and is considering everything as a whole, this complaint is about the service they provided him in relation to the loan agreement. Mr L's bank account is a separate product which as far as I can see, is not linked to the loan agreement i.e., it's not a requirement of the loan agreement that Mr L operate such an account and pay a monthly fee.

As part of the evidence provided, RBS have confirmed the type of bank account Mr L has with them, and I can see that it's advertised as having a £22 monthly fee. However, this fee provides Mr L with additional services such as mobile phone insurance, UK breakdown cover, worldwide travel insurance, and fee free non-sterling transactions.

I'm therefore satisfied that the fee Mr L is paying for his bank account is for additional benefits not linked to his loan agreement, and which were available for him to utilise during the period of delays. As such, I don't think it's fair or reasonable to consider his bank account fees as part of his complaint about the loan agreement.

Turning to the complaint at hand, I think Mr L should be compensated for the distress and inconvenience he's been caused. But crucially, this compensation must be fair and reasonable to both parties, falling in line with our service's approach to awards of this nature, which is set out clearly on our website and so, is publicly available.

RBS have offered Mr L £250 to recognise the distress and inconvenience caused. Having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. I think this is significant enough to recognise any worry Mr L would've felt as a result of the delays in RBS providing him with the requested information, and the frustration this caused. So, this is a payment I'm directing RBS to make

Therefore, if they haven't already, RBS should pay Mr L £250 to compensate him for the impact of their delays (RBS must pay this compensation within 28 days of the date on which we tell them Mr L accepts my final decision. If they pay later than this date, RBS must also pay 8% simple yearly interest on the compensation from the deadline date for settlement to the date of payment).

If HM Revenue & Customs requires RBS to take off tax from this interest, they must give Mr L a certificate showing how much tax they've taken off if he asks for one.

My final decision

For the reasons explained, I uphold Mr L's complaint about The Royal Bank of Scotland Plc. And they are to follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 September 2025.

Andrew Burford
Ombudsman