

The complaint

Mr C is unhappy with how The Royal Bank of Scotland Plc (“RBS”) processed an application he made for a personal loan, and with the service he received surrounding that application.

What happened

Mr C applied for a personal loan with RBS but received a near instantaneous decline. Mr C wanted to understand why his application had been declined, so he called RBS but was then passed between several departments with none being able to help him. Mr C wasn’t happy with the service he was receiving from RBS, or what he perceived as his loan application being processed unfairly, so he raised a complaint.

RBS responded to Mr C but didn’t feel that they’d done anything wrong regarding the process that they’d followed. However, RBS did accept that Mr C hadn’t received the standard of service from them that he was reasonably entitled to expect to have received when he tried to contact them about his concerns. RBS apologised to Mr C for this and paid £150 to him as compensation for any trouble or upset he may have incurred. Mr C wasn’t satisfied with RBS’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel that RBS had acted unfairly in any procedural sense, and they felt that the £150 that RBS had paid to Mr C already represented a fair outcome to the service aspect of his complaint. Mr C didn’t agree, and 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, I’d like to begin by confirming that this service isn’t a regulatory body or a Court of Law and doesn’t operate as such. Instead, this service is an informal, impartial dispute resolution service.

While we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mr C has provided several detailed submissions to this service regarding his complaint. I’d like to thank Mr C for these submissions, and I hope that he doesn’t consider it a discourtesy that I won’t be responding in similar detail here. Instead, I’ve focussed on what I consider to be the key aspects of this complaint, in line with this service’s role as an informal dispute resolution service.

This means that if Mr C notes that I haven’t addressed a specific point he’s raised, it shouldn’t be taken from this that I haven’t considered that point. I can confirm that I’ve read and considered all the submissions provided by both Mr C and RBS. Accordingly, if Mr C

notes that I haven't responded to a specific point he's raised, I have considered that point, but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Mr C is unhappy with the process RBS followed regarding his loan application. However, RBS have no record of Mr C ever submitting a formal loan application, which they say means that Mr C most likely undertook a 'quick quote', which wouldn't be recorded on their systems. Mr C doesn't accept RBS's position in this regard and maintains that he did undertake a full and formal loan application.

Upon consideration, I find RBS's confirmation that they have no record of Mr C making a formal loan application to be persuasive. I feel that this could mean that one of two things happened: Either Mr C did, potentially unknowingly, undertake a non-formal 'quick quote', or there was some form of malfunction when Mr C submitted his formal application that led to it being rejected instantly without being properly considered or being recorded on RBS's systems.

Whichever of the two scenarios described above occurred, what they have in common is that a formal loan application was never processed by RBS and wasn't recorded on RBS's systems. This means that I can't reasonably say that RBS processed Mr C's application unfairly, because it seems most likely that RBS never processed a loan application for Mr C at all. And because RBS didn't process a formal loan application for Mr C, it stands to reason that they couldn't explain why his application had been declined – because it hadn't been declined, having never been recorded as being received, or processed.

This explains, but does not excuse, the confusion and poor service that Mr C encountered when he contacted RBS and tried to better understand what had happened. Mr C has explained how he was frustratingly passed from department to department, with no one being able to help him, how he was eventually given incorrect and incompatible information, and how his initial requests to raise a complaint were refused. Mr C has also explained how he was embarrassed at not being able to secure the loan he wanted with RBS.

RBS have accepted that they provided poor service and they've apologised to Mr C and paid £150 compensation to him for any trouble or upset he may have incurred. Matters of compensation can be subjective, but the £150 that RBS have paid to Mr C feels fair to me, given what happened, and I confirm that it's commensurate with what I might have instructed RBS to have paid, had they not already done so.

In taking this position, I've considered the impact of what happened on Mr C. But I must remind Mr C that this service is outcome focussed, and so I've considered the relatively short length of time that these events took place over and that Mr C was able to secure an alternative loan relatively quickly, which I feel mitigates against some of the impact he experienced. Finally, I've also considered the general framework this service uses when assessing compensation amounts, details of which are available on this service's website, and having done so I feel that £150 is a fair compensation amount.

All of which means that I don't feel that RBS have acted unfairly towards Mr C regarding any loan application process that they followed, because I feel that their contention that they never received a formal loan application from Mr C is most likely correct. Regardless of whether that was because Mr C only undertook a 'quick quote', or because of an error in the application process, I feel that the fact that RBS never received a formal loan application from Mr C to be unfortunate, but not unfair. Finally, I feel that the £150 compensation that RBS have paid Mr C for the poor service he received already provides a fair outcome to that aspect of his complaint.

It therefore follows that I won't be upholding this complaint or instructing RBS to take any form of action. I realise this won't be the outcome Mr C was wanting, but I hope he 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 Mr C to accept or reject my decision before 5 February 2026.

Paul Cooper
Ombudsman