

The complaint

Mrs S and Mr S complain about the way The Royal Bank of Scotland PLC conducted litigation regarding their mortgage.

What happened

The term of Mr and Mrs S's mortgage expired in 2018 with an unpaid balance. In March 2025 RBS instructed solicitors to start legal action for possession.

Mr and Mrs S say RBS and its solicitors conducted the litigation action unfairly and in breach of court protocols and processes. It gave them incorrect information and didn't put action on hold when they brought a complaint to this service. They received notice of a court hearing, which they attended. RBS's solicitors failed to attend.

RBS accepts it made errors. It told Mr and Mrs S incorrectly that it didn't know they had a complaint with us, and didn't immediately arrange to hold action after we requested this. Due to an error, RBS's solicitors were unaware that a court hearing had been scheduled for June 2025, so failed to cancel it or attend.

RBS put recovery action on hold, refunded legal costs (about £1,600) and paid £925 compensation. Our investigator said was fair and reasonable in the circumstances.

Mr and Mrs S didn't agree. They sent an impact statement which said (in summary) they'd suffered material litigation prejudice as well as inconvenience. They said the proceedings were delayed for 12 months without consulting them. Mr and Mrs S said they are litigants in person and had been left uncertain as to the next steps – which could mean proceedings being re-started at short notice. They said this made it impossible to refinance or sell the property.

Mr and Mrs S said the situation caused anxiety, and impacted their family lives and work.

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.

Mr and Mrs S brought previous complaints to our service. These include that RBS didn't extend the term of their mortgage or switch it to a capital repayment basis. And that RBS didn't respond fairly to their repayment proposals, and started legal action without giving them an opportunity to resolve matters. I won't revisit these issues here, although I am aware of the background to this complaint about the way RBS conducted legal action.

RBS instructed solicitors to start legal action for possession in March 2025. Mr and Mrs S brought a complaint to our service in April 2025. They complain that RBS continued the legal action despite them having a complaint with us.

RBS told Mr and Mrs S in early June 2025 that it hadn't been contacted by us. This was incorrect and RBS paid compensation of £75.

RBS made another error. It didn't immediately arrange to hold action after we requested this. RBS paid a further £350 compensation to Mr and Mrs S. It said no legal fees had been applied to their account, and it would monitor the account to ensure no legal fees are applied while recovery action is on hold.

Mr and Mrs S contacted RBS and its solicitors several times before RBS confirmed it was aware they had a complaint with us and that action was on hold. That would have been worrying for Mr and Mrs S as well as inconvenient. I think the compensation paid (£425) is fair and reasonable for the impact this had on Mr and Mrs S.

Mr and Mrs S also complain that a court hearing was scheduled in June 2025, which they attended. However, RBS and its solicitors didn't attend or cancel the hearing.

RBS says this was due to an error. Its solicitors had made an application to court before they were told action was on hold. The court sent notice of a hearing (for June 2025) with an incorrect reference. The solicitors didn't notice this and misfiled the notice. As a result, the solicitors weren't aware of the hearing and didn't cancel it or attend. RBS said this could have been avoided if the solicitors had checked the reference and names on the notice.

At the hearing in June 2025, the court adjourned the hearing to a date in August 2025. RBS confirmed to Mr and Mrs S that the hearing scheduled for August 2025 was adjourned and no further hearings would be scheduled while this complaint was with us. It said the solicitors had contacted the court to correct the reference.

RBS refunded legal costs of about £1,600 (these had not yet been applied to the mortgage account, but were shown on a redemption statement requested by Mr and Mrs S). It didn't refund interest or adjust the mortgage account as the legal costs had not been applied to the account, and no additional interest was applied.

RBS also offered to consider Mr and Mrs S's costs (such as solicitors costs, preparation for the hearing, time off work and disruption) if they provided evidence. I think that was fair.

RBS paid £500 compensation. I think that's fair and reasonable. Mr and Mrs S would have been worried about the hearing. Attending court would have caused them inconvenience.

I've considered what Mr and Mrs S have said as to why the compensation isn't sufficient for the impact they say this had.

I don't think Mr and Mrs S were caused material litigation prejudice by RBS's errors. If legal action for possession restarts – as seems likely – Mr and Mrs S will have the same opportunity to put forward their evidence and proposals to repay the mortgage to the court.

I don't think Mr and Mrs S have been prejudiced by legal action being on hold for 12 months. If anything, this has given them more time to make arrangements to repay the mortgage. There was nothing to prevent them re-mortgaging or selling the property during this time.

This decision is the final part of our process. If Mr and Mrs S haven't provided evidence to RBS of a credible proposal to repay the mortgage within a reasonable period, it's likely that RBS will restart legal proceedings.

The term of Mr and Mrs S's mortgage expired in 2018 with an unpaid balance. They might lose their home if RBS takes possession or they sell the property to repay the mortgage. It's understandable that the situation causes Mr and Mrs S anxiety. But I think this anxiety is largely due to the situation itself rather than any errors by RBS. For the additional worry and inconvenience caused by RBS's errors, I think the compensation paid (£925) is fair and

reasonable in the circumstances.

My final decision

My decision is that I do not uphold this complaint. That's because I think The Royal Bank of Scotland PLC has done enough to put matters right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 15 May 2026.

Ruth Stevenson
Ombudsman