

complaint

Mr R complains that The Royal Bank of Scotland plc (RBS) recorded a default on his current account without telling him.

background

Mr R said he applied for a mortgage but realised RBS had recorded a default on his credit file in December 2014. He said his RBS account had been included in a trust deed which was paid off in 2010, so he didn't owe any money to the bank. Mr R was also unhappy about the bank's customer service when he contacted it to ask about the default.

RBS said Mr R's current account hadn't been included in the trust deed. So the bank had recorded a default on his file as his current account was overdrawn. The bank said it hadn't known about the trust deed until Mr R got in touch in 2015. But the bank said it's now written off Mr R's outstanding balance, closed his account and corrected his credit file.

The adjudicator didn't uphold Mr R's complaint. She thought RBS couldn't reasonably have been expected to know that Mr R had entered into a trust deed, as the bank hadn't been included on the list of creditors. She also thought RBS had taken steps to write off the debt and correct Mr R's credit file, once it knew about the trust deed.

Mr R didn't agree with the adjudicator's decision and wanted an ombudsman to reconsider. He didn't understand why the bank had only recently recorded a default on his account. Mr R said details of his trust deed were published in the official public record of trust deeds. So he thought the bank should have checked this record. He also said he'd been contacted by a debt collection agency. So he thought RBS may have sold his debt instead of writing it off.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same conclusions as the adjudicator and for largely the same reasons.

I can see that Mr R is annoyed that RBS hadn't closed his account as he thought his account had been included in the trust deed. But the trust deed supervisors told us that RBS hadn't been included in Mr R's list of creditors when he set up his trust deed. So I can see why RBS didn't know about what had happened.

Mr R's bank statements show that he only exceeded his overdraft limit in 2014. So I can see why the bank has only recently recorded a default on his credit file.

Mr R is worried that RBS has sold his debt to a debt collection agency. RBS says it hasn't sold his current account debt and its records show that his debt has been written off. So I'm satisfied that his debt hasn't been sold to a third party. But the bank says the debt collection agency may have contacted Mr R about a credit card debt. I am only considering Mr R's complaint about his current account. So I leave it to Mr R to contact the bank about his credit card account if he's concerned about that.

Mr R is unhappy about the customer service he's received. But I do think RBS acted quickly to write off Mr R's debt and correct his credit record once it realised he'd entered into a trust

deed. So I know Mr R will be disappointed, but I don't think the bank needs to do anything more.

my final decision

My final decision is I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 January 2016.

Ayesha Siddiqi
ombudsman