

complaint

E, a limited company, complains that The Royal Bank of Scotland Plc was premature in moving its bank accounts to the recovery department and then closing them.

background

E had a current account and a business loan with RBS. The income to the current account reduced in 2015 and monthly repayments to the loan stopped by that October. RBS issued formal demand in December 2015 and said E would need to find alternative banking arrangements. In February 2016 it agreed to give E until 11 April 2016 to repay the borrowing. It said that doing this would prevent a transfer to its recoveries department. It did not receive repayment by this date and the borrowing was moved to recoveries. Funds to repay the borrowing in full were deposited on 5 May 2016. The accounts of E were later closed.

The adjudicator did not recommend that the complaint be upheld. He said that:

- He had listened to a recording of a call between the director of E and RBS on 29 February 2016.
- In that call the director agreed that the loan of E would be repaid by 11 April 2016. This did not happen.
- He understood that there were delays in the director making a property sale to release funds for repayment. But there was no record of any further agreement to extend repayment.
- RBS had not acted unfairly. It was entitled to decide whether to continue to offer an account to E.

The director of E did not agree. He said that it was disappointing that the bigger picture had not been considered. He thought that the call recording supported the complaint. He had instigated the call and had never had any previous proposal from RBS about repayment. That was despite him calling in November 2015. He had made clear that the money was to come from a property sale and that the expected completion date was 30 March 2016. He said that he did call RBS between 29 February and the date E repaid the loan. But he had ongoing difficulty getting through. He wants the account reinstated and an apology. The director has also copied this service into an email to RBS asking for information about the calls he made and raising further complaint points.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The adjudicator said that he had enough information to form an opinion on this complaint. But he invited E to provide anything else for me to consider. He said it was unlikely that E, as a limited company, could make a subject access request to RBS. It has not done so but I've seen the email it has sent. In that email new complaint areas are raised which I can't deal with here. I haven't seen a response about anything else. And, as the complaint has been referred to this service, I wouldn't necessarily expect RBS to respond to E again about this unless I specifically needed it to provide me with more evidence.

I appreciate that there was a wider context here. E was having payment difficulties and it had effectively ceased trading. The director was trying to find a way to make repayments to the loan having found another job. I don't doubt he had some difficulty getting through to RBS. It says that it had already given E 30 days' breathing space. It had received no acceptable proposals for repayment and made formal demand.

No recovery action had been taken before the call of 29 February 2016. I've listened to this call and, in my view, the adjudicator has correctly summarised the outcome. I've seen a copy of a letter RBS said it sent that day confirming the discussion. I know the director says he did not receive this. But I think the call was sufficient confirmation of what was agreed. I note a direct dial number was provided during the call by RBS for the department then dealing with the matter.

I understand the property sale was delayed. I don't doubt that the director's time was taken up with the difficulties with this sale and with the foreign business trip he mentions. It may well be that RBS would have extended the deadline further. That's especially as I note contracts on the sale had been exchanged on 24 March 2016. But the key point is that there's no evidence it agreed to do so. And as the adjudicator says it does not have to provide banking facilities and, following the payment difficulties, decided it no longer wanted to. That's a legitimate business decision and so I'm afraid I'm unable here to require RBS to reverse this.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 30 January 2017.

Michael Crewe
ombudsman