

## **complaint**

Ms D complains that The Royal Bank of Scotland Plc provided a poor level of service when it froze a joint account she held with her ex-partner.

## **background**

Ms D was notified a year or so ago that the joint account she had held with her ex-partner had been frozen. She took advice from her lawyers who wrote to the bank, but it didn't reply. They had offered to pay off half the overdrawn balance in the account. The account was passed to the bank's collections arm and a default was registered on Ms D's credit file. She complained to the bank and it paid her £100 compensation and offered to remove the default.

After the matter was brought to this service the bank said that the final response letter had been wrong and Ms D shouldn't have been told it would remove the default on her credit file. It said that each account holder is jointly and severally liable for the debt and it had tried to contact Ms D about a repayment plan, but that hadn't been successful and so it had passed the debt to its recoveries agents. It wouldn't have been able to accept an offer to clear half the debt and while it would consider compensation it wouldn't write off the debt.

The adjudicator didn't consider this to be reasonable. He thought RBS should honour the offer made in the final response letter. Ms D was willing to enter into an arrangement to pay, and accepted her joint liability for the whole outstanding amount. The adjudicator thought that once she had entered this arrangement, the default should be removed. But if she failed to keep to the plan, the default could be reapplied.

He added that further to the poor communication and additional stress caused by RBS changing its stance on the offer, he considered the compensation should be increased by an extra £100. The bank agreed and said it would bring the debt back to its in house team and Ms D would then have to arrange a new repayment plan. If a plan isn't put in place or is broken a default may be applied. It explained that a repayment plan would be shown on her credit file. Ms D wondered if the compensation was sufficient.

## **my findings**

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

It's clear that there has been a break down in communications and the bank hasn't provided the level of service I would expect. A separation can be traumatic and I would have expected the bank to have been more understanding. However, that doesn't mean it should have offered to write off the debt, nor should it have accepted only half the outstanding sum from Ms D. That said, I trust it is also pursuing Ms D's ex-partner for the debt.

It failed to reply to Ms D's lawyers who she had instructed to resolve the matter and the bank then decided to move the debt to its collections agency. I would have thought it would have been a better course of action to talk to the lawyers or Ms D to see what could be done to clear the debt. It seems only reasonable that the default be removed from Ms D's credit file and she be given the opportunity to come some form of repayment arrangement.

To that end I consider the bank should:

- honour the offer made in the final response letter, subject to Ms D entering into an arrangement to pay the debt
- withdraw the default and remove it from her credit file once Ms D enters this arrangement. But if she fails to keep to the plan, the default may be reapplied
- pay Ms D a further £100 compensation bringing the total sum to £200.

**my final decision**

My final decision is to uphold this complaint and I direct The Royal Bank of Scotland Plc to recompense Ms D as set out above. Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 19 September 2016.

Ivor Graham  
**ombudsman**