

## **complaint**

Mr E complains that The Royal Bank of Scotland plc (RBS) closed his student account because he was not paying into it. He says he did not know he had to, and would like the bank to re-open the account and reinstate the overdraft limit. He would also like the default removed from his credit rating.

## **background**

Mr E opened a student account with RBS in March 2009. The terms and conditions of the account said he must deposit at least £750 every six months. He was given an overdraft facility of £1,250. Mr E used the overdraft and deposited some smaller amounts of money up to July 2011. He has not used it since.

The bank treated Mr E's account as dormant and wrote to him in January, February and March 2013. It tried to phone him but couldn't get an answer. It wrote more letters about the debt, including a default notice. Mr E did not reply, so the bank closed his account and passed the debt to a debt collection agency.

Mr E complained to say that he didn't receive any phone calls from the bank. He says that when he opened the account he told RBS that he was banking with another bank, and he wasn't aware he had to pay any money in.

Our adjudicator did not recommend that the complaint should be upheld. He said that Mr E had signed to say that he had read the terms and conditions of the account. These tell customers they must use the account as their main account and must pay in £750 every six months. The adjudicator also said that RBS had followed industry guidelines and best practice in the way it dealt with the debt and default.

Mr E phoned to say he did not accept the adjudicator's assessment. He said he did not understand what he was signing as his English was not very strong at the time.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

When Mr E opened the account, he signed to say he accepted the terms and conditions. These clearly say *"You must use your Student Account as your main account by depositing at least £750 every six months."* I have considered what Mr E says about his English at the time, but he was studying for a degree in England at the time. He also hadn't asked the bank for any special help to understand what he was signing, and he didn't contact it to ask what its letters meant.

I have also looked at the way the bank dealt with the debt. I find that it acted in line with industry guidelines and best practice, and tried enough times to contact Mr E to discuss his account.

In the circumstances, and given that the debt was outstanding for as long as it was without any payments being received, I find that the bank was entitled to default the account and record the default on Mr E's credit file.

**my final decision**

My final decision is that I do not uphold this complaint.

Belinda Knight  
**ombudsman**