

## **complaint**

Mr T complains about the administration of his credit card account by Royal Bank of Scotland Plc (RBS).

## **background**

Mr T had a credit card with payment protection insurance (PPI). In 2004, Mr T claimed against the PPI but, at the time, the insurer refused to pay out.

Mr T felt this was a breach of his contract with them, so he refused to make any payments to his credit card. Because he stopped making his credit card repayments, RBS pursued him for the credit card debt and later sold the debt to a debt collection agency. Mr T is unhappy that he was pursued for his credit card debt when he was trying to get the insurer to pay his claim on the PPI.

Since then, the claim Mr T made in 2004 has been looked at by this service as a separate issue and it has now been paid along with £50 compensation.

RBS offered Mr T £350 in relation to the service it had given him.

Our adjudicator didn't recommend that the complaint should be upheld. And she thought that RBS didn't do anything wrong trying to get back the outstanding credit card debt from Mr T. She also thought that RBS didn't do anything wrong by recording information on Mr T's credit file.

The adjudicator suggested to Mr T that he accept the offer of £350 compensation from RBS. Mr T doesn't accept this - he believes he should be compensated for having had adverse information recorded on his credit file and for the distress and inconvenience he suffered when RBS pursued him for the debt.

## **my findings**

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where there's a dispute about what happened, I've based my decision on what I think's most likely to have happened in light of the evidence.

I've reviewed the notes made by RBS in 2004 and it's clear that Mr T stopped making repayments because he was unhappy that his claim had been declined. However, when Mr T took out the credit card with RBS, he accepted their terms and conditions – this included Mr T agreeing to make the monthly payments. So, while Mr T was awaiting the outcome of his PPI claim in 2004, he should've continued to make repayments towards the outstanding credit card debt. But Mr T didn't do this. As a result, I think RBS was entitled to pursue the outstanding debt from him. And I'm also satisfied that RBS were allowed to record adverse information on Mr T's credit file when he refused to pay his credit card debt. This is because the purpose of the credit file is to show how Mr T operated his account. And he didn't make some payments on his credit card.

In the circumstances, I don't support Mr T's complaint against RBS. However, in light of the poor service RBS gave Mr T, RBS has offered Mr T £350 which I understand is still open for him to accept.

Finally, I wanted to remind Mr T that this complaint looks at what RBS have done in this particular matter. If Mr T is still unhappy about the amount of money he was paid in 2014 for his 2004 claim on his PPI policy, then he should, in the first instance, contact the insurer.

**my final decision**

My final decision is that Royal Bank of Scotland Plc should pay Mr T £350.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 5 June 2015.

Rebecca Ellis  
**ombudsman**