

## **complaint**

Miss A complains that The Royal Bank of Scotland Plc (RBS) has not treated her fairly, in that it incorrectly applied charges to her accounts, placed a charging order on her house and mis-sold her a loan. She says these errors have caused her financial loss and distress and inconvenience, and that the compensation offered by the bank for this is insufficient.

## **background**

In 2006, Miss A took out a loan with RBS. She now says this was mis-sold to her. She also complains that the bank wrongly applied charges to her deposit account when she was experiencing financial difficulties and inappropriately applied fees and interest to another account.

The bank has since refunded these fees and interest, and has refunded solicitor's fees which were charged when the accounts were referred to a third party and paid Miss A £100 compensation for distress and inconvenience. It has arranged for the charging order to be removed and has offered a further £150 compensation. Miss A says the matter has caused her and another party considerable distress, and she considers the compensation is not enough.

Our adjudicator did not recommend that the complaint should be upheld. She considered that some of the fees and charges had been correctly applied, and as the bank had refunded all of them, she did not consider she recommend any further refund be made. She considered that the compensation offered was in line with what this service would award in similar circumstances. She noted that the sale of the loan took place more than six years before Miss A made her complaint, and so could not be considered by this service. In any case, she was of the view that as Miss A had had the benefit of the loan, she would generally be expected to repay it.

Miss A does not agree, saying that RBS made numerous errors in relation to her accounts, which caused her considerable distress and inconvenience, and that the offered compensation is not enough.

## **my findings**

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

Miss A has raised a number of issues in her complaint, and I have dealt with these in turn, below.

### *sale of the loans*

I have reviewed the loan agreements, and I see that the loans were both taken out in 2006. Miss A made her complaint to this service in 2013, more than six years after the loans were sold to her. This service is not able to consider every complaint brought to it, and time restrictions mean that a complaint must generally be brought to us within six years of when it arises. I am afraid this means that I am not able to consider this aspect of Miss A's complaint.

*outstanding debt*

Miss A has complained that RBS has provided conflicting information about how much she owes, and she considers it should write off the remaining debt. RBS has confirmed to this service that it would accept £383.74 in settlement of the debt. This is a reduction from the November 2013 outstanding balance of £805.72, and the bank has said it will write off the remainder.

Miss A has had the benefit of the loan and our general view is that it is reasonable for her to repay it. I therefore consider the bank's settlement offer to be fair and reasonable and I do not uphold this aspect of her complaint.

*compensation*

RBS has refunded most of the interest and charges applied to Miss A's accounts, has paid her £100 compensation and has offered a further £150 compensation. Miss A does not consider this to be sufficient, and has also asked for compensation on behalf of another party, whose health she says has been badly affected by this matter.

I do sympathise with Miss A and the third party. However, he is not a party to her complaint, as he is not an account-holder of any of the affected accounts. Because of this, I am not able to make any finding in relation to his experiences, or award any compensation.

As regards Miss A's compensation, I note that the bank has refunded interest and charges, even where these were applied in line with the account terms and conditions. It has also offered a further £150, in addition to the £100 already paid. Our compensation awards for distress and inconvenience tend to be modest, and I consider this to be fair and reasonable in the circumstances.

**my final decision**

RBS has offered to pay Miss A a further £150 compensation for distress and inconvenience its errors caused her, bringing the total compensation paid to £250. I consider this to be fair and reasonable in the circumstances. My decision is The Royal Bank of Scotland Plc should pay Miss A £150.

Catherine Wolthuizen  
**ombudsman**