

complaint

Mrs B complains that The Royal Bank of Scotland Plc (RBS) should've registered a default earlier than it did.

background

Mrs B says a default was registered on her credit file in 2011 for a credit card debt. She says it should've been obvious to RBS that she was in financial difficulties. Mrs B says a default should also have been registered at this time or slightly later for her overdrawn account.

RBS says the account was last used in December 2012 and was within the overdraft limit. It says as the account hadn't been used for 6 months, it wrote to Mrs B to find out if she intended to use it. RBS says it didn't receive a response and sent her a default notice. It has agreed to backdate the date of the default to 4 September 2013, which was twenty eight days after the default notice was sent to her.

Mrs B complained to us and our investigator initially upheld her complaint in part. He thought the default should've been registered in April 2013 which was between 3-6 months after the account was in arrears. RBS said the account was never in arrears and its dormancy policy was triggered after 6 months of the account not being used. Our investigator then came to the view RBS hadn't made a mistake.

Mrs B doesn't accept that view and remains unhappy with how RBS has dealt with this matter.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've come to the same overall conclusions as the investigator. I realise Mrs B will be disappointed by my decision.

I don't think RBS should've registered a default for Mrs B's account just because a default had been registered for a credit card debt. I'm satisfied they are two separate matters. I also think that would've been unfair to Mrs B at the time. I've looked at RBS's records and can see the account was being used in 2011 up to the end of 2012. And I don't think there would've been any reason to default the account before 2013. I say that as Mrs B was within the overdraft limit. I also don't think it could fairly be said Mrs B was in arrears with her account in those circumstances

I appreciate Mrs B says she didn't receive some of RBS's letters about her account and if she wished to keep it open. But I can't fairly hold RBS responsible for the delivery of mail. And I also think Mrs B should've been aware of the account as it had been regularly used up to December 2012. I'm satisfied RBS has acted in line with its dormancy policy by writing to Mrs B after 6 months of account inactivity. I also think that if Mrs B had said she wished to keep the account open then it's unlikely the account would've been defaulted.

So overall I think the correct default registration date should be on 4 September 2013 which is 28 days after the default notice was sent.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 November 2017.

David Singh
ombudsman