

complaint

Ms M complains that The Royal Bank of Scotland plc ("RBS") provided poor customer service and that its agreement to remove a default on her credit file was overturned.

background

Ms M had a current account and a loan with RBS. Her accounts fell into arrear and RBS issued a default notice in March 2010 and a final demand in May 2010. RBS then applied a default to Ms M's credit file in September 2011 as she had not complied with the provisions of the default notice within 28 days. Ms M then raised four formal complaints with RBS about its poor customer service. She has received a total of £1,080 compensation from the bank as a result of the distress and inconvenience she experienced due to its errors. But she still requires RBS to remove the default from her credit file as she was assured by the bank in its final response in May 2012 that it would do so.

The adjudicator did not recommend that the complaint should be upheld. She noted that RBS had objected to this service assessing two of the complaints because of the rules on time limits under which this service operates. The complaints related to issues dealt with in two final response letters sent to Ms M in July 2012. RBS's objection was on the grounds that the complaints had been referred to this service more than six months after the dates on which the bank's final responses were sent to Ms M. The adjudicator concluded that she was unable to assess the merits of these complaints in line with our rules.

The adjudicator also said that she considered that the compensation paid to Ms M by RBS for poor customer service was fair and reasonable.

The adjudicator also considered Ms M's request that the default on her credit file be removed. In her first assessment of Ms M's complaint, the adjudicator incorrectly noted that RBS's final response had said that the default would be removed as no default notice or formal demand had been issued. Ms M pointed out that this was inaccurate and that the final response letter said that the default should be removed for other reasons set out in the bank's letter.

In her second assessment, the adjudicator agreed with Ms M that RBS's final response letter said that it would be removing the default for other reasons. But, she then explained that the information provided to this service by RBS indicated that the bank's rationale for removing the default was that no default notice or formal demand had been issued. She then noted that this information was inaccurate as a default notice had in fact been issued on 31 March 2010. She considered that Ms M had not complied with the provisions of the default notice as no payment plan had been agreed with the bank within the 28 days set out in the default notice. So, she concluded that RBS was entitled to register the default and was obliged to do so to accurately reflect how Ms M had managed her account.

my findings

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

I agree with the adjudicator that I am unable to consider the merits of the complaints relating to issues dealt with in the two final response letters sent to Ms M in July 2012. This is

because they were referred to this service more than six months after the dates on which the final responses were sent.

I have seen the bank's contact notes from January 2010 onwards. I can see that there were arrears on Ms M's accounts from January 2010, and it is clear that RBS was trying to speak to Ms M to see if a financial hardship plan could be arranged. Whilst the bank spoke to Ms M's father, there was no indication that Ms M had discussed the situation with RBS as requested before it issued a default notice at the end of March 2010. This gave Ms M 28 days to agree a repayment plan. The contact notes said that Ms M contacted the bank almost four weeks later to say that she was unable to pay her debts. But RBS did not receive repayment proposals from Ms M until after the formal demand notice was issued on 24 May 2010, and a repayment plan was not agreed until July 2010.

So, as Ms M had not complied with the provisions of the default notice, I cannot see that RBS acted incorrectly in registering a default on Ms M's credit file. This is because financial businesses have an obligation to register accurate information at the credit reference agencies about how a customer has conducted his or her accounts. In the circumstances, I consider that I have no proper basis to require RBS to remove the default registration.

I also note that RBS did not accurately explain the reasons for removing the default in its final demand letter dated 24 May 2012. But, I can also see that it accepted that it had provided Ms M with incorrect information and that it has paid Ms M compensation for this.

I also agree with the adjudicator that the compensation paid by RBS to Ms M is fair and reasonable, and I do not consider that it would be reasonable to require RBS to pay any more.

my final decision

My decision is that I do not uphold this complaint.

Roslyn Rawson
ombudsman