

complaint

Mr A complains that The Royal Bank of Scotland Plc (“RBS”) is demanding payment on a debt which was paid off in 2014. He says the RBS accepted the payment as full and final settlement of the debt.

our initial conclusions

Our adjudicator thought the settlement suggested by RBS to refund the total debit interest (£18,962.21) was fair and reasonable. The refund left an outstanding balance to be cleared. Mr A disagreed with the adjudicator’s view and said RBS had manipulated the figures for its response.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr A and RBS have provided. Having done that, I’ve decided to come to the same conclusions as the adjudicator.

The two debts were consolidated but when it came to enforcing the debts, RBS split them because one was secured and the other was unsecured. RBS instructed separate solicitors to enforce the secured debt. These solicitors wrote to Mr A and it was clear throughout the correspondence that they were only writing about the secured debt. So I think he should’ve realised that his offer to settle the account only applied to that specific debt.

Mr A also complains that his figure doesn’t match the RBS figure for the outstanding unsecured debt. RBS said it added interest to the debt when the account was with the debt recovery team. RBS changed its policy to stop debit interest on accounts in recovery. So RBS agreed it wasn’t fair to add interest when it knew Mr A was in a difficult financial position. And it refunded the interest it had applied. Taking everything into account, I think RBS’s offer to refund the debit interest is fair and reasonable settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A either to accept or reject my decision before 7 September 2015.

Amrit Mangra

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.