

complaint

This complaint is about what happened after Mr T topped up a loan he had with The Royal Bank of Scotland plc ("RBS"). Mr T complains he wasn't aware at the time that the second top up loan he took out had a much higher rate of interest that's impacted on his overall borrowing.

Mr T wants RBS to apply the original interest rate to his total loan and to apologise to him.

background

Neither Mr T nor RBS could supply copies of the loan paperwork. But RBS records showed that Mr T took out an initial loan in 2008 with an annual percentage rate (APR) of 8.9%. After six months or so, he took out the first top up loan with an APR of 9%. Mr T took out another top up loan in 2009 and this has an APR of 13%.

After taking into account the information available, and looking at the circumstances surrounding the lending, our adjudicator didn't recommend upholding Mr T's complaint.

Our adjudicator said there wasn't anything to suggest that RBS promised that the top-up loans would be at the same rate of interest as the original loan. He thought it likely that Mr T would've borrowed money at whatever interest rates RBS had set at the time. And without evidence to suggest that RBS shouldn't have increased the interest rates for the top up loans, he couldn't say that RBS had done anything wrong.

Mr T disagrees, so the complaint has been referred to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I agree with the adjudicator for the same reasons.

my final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 February 2016.

Susan Webb
ombudsman