

complaint

Mrs A complains that The Royal Bank of Scotland Plc has acted unfairly by closing her accounts and failing to come to an agreement over the repayments of her outstanding debts. She also complains about RBS' customer service in general.

background

Mrs A brought a complaint to this service in 2011 after her accounts with RBS had been frozen. The adjudicator who dealt with that complaint found that RBS' compensation payment of £500, refund of charges, write-off of the loan debt and advice to seek guidance from a debt counselling organisation was reasonable. Mrs A accepted these findings in July 2012.

Shortly afterwards, Mrs A's accounts were frozen again, this meant she could not access funds in her current account. She also continued to receive letters addressed to her late husband and realised that she was being charged interest on the accounts.

She complained to RBS and it apologised and sent her a cheque for £50 in respect of the letters. However, it did not accept that Mrs A's accounts had been closed incorrectly. It said that the accounts had been reviewed and, as no contact had been received from any debt counselling agencies, it had made the decision to transfer the accounts to its Credit Management Services Department. It agreed to refund six months' worth of interest on the current accounts and waive the pending interest and also to write off the outstanding balance of a loan, despite it being in Mrs A's and her late husband's joint names. It insisted the outstanding debts were rightly due and again advised Mrs A to contact a debt counselling service.

Mrs A did not accept that the compensation was sufficient, nor that her attempts to repay some of the outstanding debt and provide details of her income and expenditure independently had not been taken into consideration. She referred the matter to this service.

Our adjudicator did not uphold the complaint. She found that RBS's payment of £50 and the write-off of the loan debt had reasonably compensated Mrs A for addressing letters to her late husband.

She considered it was reasonable for RBS to require Mrs A to have an independent debt advisory service act on her behalf before it would consider coming to a repayment arrangement. Until she had satisfied this requirement, it was reasonable for the bank to pursue Mrs A for her outstanding debts.

Mrs A replied that she was able to make full repayments, contrary to RBS's opinion, and her third party debts had been repaid, leaving RBS as her only creditor. As such, she felt that the income and expenditure information she had provided should have been sufficient for an arrangement to be reached and her accounts released back to her control. However, she said she had opened a new account and did not wish to bank with RBS in future.

my findings

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

There is no dispute that Mrs A accepted the adjudicator's recommendations in settlement of her previous complaint, therefore I will confine myself only to considering the events since July 2012.

In the particular circumstances of this case, I am not persuaded that it was unreasonable for RBS to ask for independent verification of its customers' income and expenditure. It has explained this is so it can assess the affordability of any repayment agreement.

Mrs A clearly feels she is able to afford the repayments. And there does appear to have been a lack of communication from RBS to Mrs A at times in response to her provision of her income and expenditure details.

Nevertheless, it does seem that most of this inconvenience, since July 2012, could have been avoided by Mrs A engaging more actively with RBS to resolve the problem.

Overall, I find that the £50 compensation payment and RBS's agreement to write off the loan debt of around £500 is a reasonable resolution to this complaint.

my final decision

My final decision is that I do not uphold this complaint.

Garry Hunter
ombudsman