

complaint

Mr B complains that The Royal Bank of Scotland Plc ("RBS") failed to credit a payment to his credit card which affected his credit profile and in turn his ability to obtain credit elsewhere.

Mr B is a director of a limited company and this complaint is linked to a separate complaint by that company.

background

Mr B says that RBS failed to act on his instruction that a payment from a successful PPI claim should be used to pay off his overdraft and personal credit card. He says this led to further fees being charged to him and adverse information being registered on his credit file which led to him and his company having difficulty accessing further borrowing.

RBS accepted that it had not followed Mr B's instruction but said there was no evidence that any adverse information had been reported to the credit reference agencies. In relation to this complaint and other complaints relating to Mr B's business, it paid £100 and offered an additional £250 which Mr B did not accept.

Our adjudicators ultimately concluded that RBS had made some errors but that its offers were fair. They did not find that the errors had contributed to any consequential losses.

my findings

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

Where the evidence is incomplete, inconclusive, or contradictory, as some of it is here, I reach my decision on a balance of probabilities – that is to say, what I consider is most likely to have happened in the light of the evidence that is available and the wider surrounding circumstances.

There is no dispute that RBS failed to act upon Mr B's instruction to make a payment to his credit card.

The question for me to decide is whether that failure caused the consequential losses Mr B is claiming and what level of award is reasonable to compensate Mr B for the distress and inconvenience he has experienced.

RBS does not agree that a default was registered on Mr B's credit file as a result of this error and Mr B has provided no documentary evidence to show any such registration. On balance, I am satisfied that it is most likely that if anything was recorded on the credit file it is most likely to have been a late payment – a less serious marker than a default. In any event, I have not seen any evidence that any lender has based any lending decision on a default or other adverse credit entry on Mr B's credit file that was a result of RBS' error.

I would also comment that Mr B and his business (a limited company) are separate legal entities and even if there had been any adverse credit entries, they would have appeared on Mr B's credit profile, rather than on his company's.

RBS has agreed it made an error in not acting on his instruction to make a payment to his credit card. It has paid £100 and offered an additional £250 compensation for the inconvenience caused. This compensation was offered in respect of both this complaint and the matters relating to his business. RBS did not divide the offer between Mr B and his company. But I consider it reasonable that half of the total offer should be attributable to Mr B and half to his company (£175 each, of which £50 has already been paid). Overall, I consider this to be a fair offer.

Mr B's strength of feeling is clear, and I realise he is likely to be disappointed by my decision. He is not bound to accept it; if he does not, he will be free to pursue the matter against the bank by other means – including in court – if he wishes.

my final decision

For the reasons I have explained, my final decision is that The Royal Bank of Scotland Plc has made a fair offer of compensation. I simply leave it to Mr B to decide whether, on reflection, he wishes to accept the bank's offer to pay a total of £125 in compensation, in full and final settlement of this complaint.

Garry Hunter
ombudsman