

## **complaint**

Mr D is unhappy The Royal Bank of Scotland Plc ('RBS') didn't do more to help him when he got into financial difficulty.

## **background**

Mr D had a credit card account with RBS. He used to pay it off in full. But he got into financial difficulties in July 2017. He explained to RBS but he wasn't happy how the bank responded. It continued to add interest and charges - even though other banks were more sympathetic. Mr D managed to pay off the balance on his account. But RBS had added about £350 of charges. When he paid off a further £150 he discovered RBS had added £38 more. Mr D said RBS only refunded £50. He wants it to do more.

RBS said it'd held Mr D's account for 30 days on a number of occasions when Mr D had said his house sale was going ahead. And it'd given Mr D breathing space on three occasions when he was expecting funds to arrive. But RBS hadn't received any payments into the account since July 2017.

RBS said the interest and charges had been applied correctly to Mr D's account. But it'd refunded £36 of charges and £81.87 in interest. RBS paid Mr D £50 as a gesture of goodwill to help reduce his balance. And it'd offered to discuss his finances to see if it could help.

Mr D wasn't satisfied with RBS's response. So he contacted our service and our investigator looked into the matter. She sympathised with Mr D's situation. But she could see RBS had taken several actions to support Mr D. And it'd offered to discuss a repayment plan with him. But Mr D had decided not to proceed because it would mean his account would go into default. So she felt RBS had responded sympathetically to Mr D.

Mr D didn't agree. He said he'd never had the refund of interest and charges. And RBS shouldn't have offered him a repayment plan with a default attached. So he's asked for an ombudsman's final decision.

## **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 can understand Mr D's frustration. And I sympathise with the difficult situation he found himself in. So I've looked carefully at everything Mr D and RBS has said. Mr D contacted RBS in July 2017. He'd suffered a family bereavement and had to travel abroad. He needed to sell a house and wasn't able to work during this difficult period. So Mr D contacted RBS, and his other banks, to ask for help.

Mr D feels RBS didn't do as much as the other banks to help him. It still applied interest and charges to his account - even when he was paying off the balance. So I've looked at how RBS responded to Mr D's circumstances.

The Banking Code says banks will consider cases of financial difficulty sympathetically and positively. But that doesn't mean every bank will respond in the same way. Mr D said RBS told him he could pay the remaining £350 in two instalments. So I can understand his upset when further charges were added after he'd paid the first £150.

Although RBS didn't say it wouldn't add any more interest or charges, I think that's a little unfair. RBS has now refunded a further £36 of charges. And it's credited Mr D with a further £50 as a gesture of goodwill. And I think that's the right response in the circumstances. RBS also refunded over £80 of interest before Mr D told the bank about his difficulties.

But RBS doesn't have to refund all of the charges or interest it's applied. They were charged in line with the terms and conditions of the account. And Mr D agreed to the terms when he opened the account. So I can't say RBS did anything wrong in applying the charges.

RBS has also put Mr D's account on hold a number of times while he was trying to sell his house. And it's given Mr D extra time on three occasions when he was expecting payments to arrive. So I think RBS has tried to help Mr D manage his finances. RBS also offered to see if a repayment plan might help Mr D manage the remaining debt. But unfortunately that would mean the account would go into default.

I can understand why Mr D decided not to go ahead - the default would go on his credit file. But it's not unusual for a repayment plan to mean the account then goes into default. Defaulting means the bank then stops adding any further interest or charges.

It is clear Mr D wants to pay off what he owes. And it's to Mr D's credit he's been able to pay off the majority of the outstanding balance. But I don't think RBS has to refund all of the charges and interest it's applied. As long as it's overall response is positive and sympathetic to Mr D's situation.

And I think RBS has made a reasonable response to Mr D's circumstances. Its refunded some charges and credited a further £50 to Mr D. RBS has put the account on hold, applied waivers to fees and charges and given Mr D extra time when he needed it. RBS has also offered to discuss Mr D's finances with him. And its given details of other organisations who may be able to help.

I realise Mr D will be disappointed with this outcome. But based on everything I've seen I think RBS has responded sympathetically to Mr D's situation. And I won't be asking it to do anything more.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 July 2018.

Andrew Mason  
**ombudsman**