

complaint

Mrs M is unhappy how The Royal Bank of Scotland plc (RBS) has dealt with the loans that are secured on her properties.

background

Mrs M had a number of secured loans with RBS. These were taken out before her husband sadly passed away in 2009. These were business loans used to buy various commercial properties.

After her husband passed away, Mrs M's loans were consolidated into one single loan. She says this loan wasn't affordable and made her financial position worse. Mrs M also says she made a Subject Access Request (SAR) to RBS asking for all the bank's records of the loans – and it hasn't given her these. Mrs M also says RBS didn't allow her to change the date of her monthly direct debit.

Our adjudicator didn't think RBS had done anything wrong here. She said the purpose of the consolidation loan was to make Mrs M's repayments more manageable. The adjudicator also said she thought RBS had acted reasonably when dealing with Mrs M's SAR. And the adjudicator couldn't see that the bank had been asked to change the monthly repayment date.

Mrs M remains unhappy. So her complaint has been referred to me make a 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. Having done so, on the limited elements of the complaint I can consider, I don't think RBS has done anything wrong – and I'll explain why.

But before I do, there is one thing I need to make clear. There are various other things that Mrs M is unhappy with. These centre on the secured loans that were taken out before her husband died. Mrs M says that she didn't know about these secured loans. She says her husband took them out, in her name, before he died. Mrs M says she thought she was only a witness to the loans. These points have already been considered by another ombudsman. He decided our service didn't have the power to deal with them.

I know Mrs M is unhappy with this and has made further arguments about it. But a fellow ombudsman has made a decision on these points and there's no provision in our rules for one ombudsman to change the decision of another ombudsman. So I won't be looking at this aspect of the complaint any further. For the avoidance of doubt, my decision only looks at Mrs M's complaint that:

- RBS charged too high an interest rate on the consolidation loan meaning the repayments weren't affordable;
- the bank didn't comply fully with a SAR; and
- it refused to change the due date of her monthly loan repayment.

consolidation loan

After the death of her husband, Mrs M understandably found herself in a difficult situation. And she began having problems making the monthly payments on the secured loans. So RBS looked at consolidating all the loans into one new secured loan. Mrs M signed this new agreement in July 2011.

Mrs M has told us that the interest rate was higher than on the original loans – so it made her situation worse. And she was also unhappy with the charges added to it.

But I can see that this new loan was being discussed for several weeks, if not longer, before RBS and Mrs M reached agreement on the terms. The new loan was designed to give Mrs M some breathing space to sort out her financial situation – including selling one or more of her properties and using the money from these sales to reduce her debt to the bank. And I've seen that one of the properties was sold – and the debt was indeed reduced.

The new loan was for a shorter period than the existing loans and was granted on an interest-only basis for the first six months with the option of extending the interest-only period for a further six months before it would become a capital repayment loan.

The banks records show this would mean Mrs M would be initially paying around £1,400 less per month than she had been. So I'm satisfied RBS was trying to reduce her outgoings so she had time to decide what to do with her various commercial interests – and how she could then reduce or repay what she owed the bank.

I've also looked at the new secured loan agreement that Mrs M signed. At the very top of the agreement, in bold, block capital letters, there is a warning that Mrs M should take legal advice before signing it. She didn't. I think that if Mrs M wasn't happy with any of the new terms, it would have been reasonable for her not to have signed the agreement until she had first taken independent legal advice.

I do sympathise with the position Mrs M found herself in after her husband passed away. But I'm not satisfied RBS has done anything wrong here. I do think it tried to give her time to sort out her financial situation.

If Mrs M is still experiencing difficulties with her repayments, I would urge her and RBS to discuss fully her current situation. And I would expect RBS to treat her fairly in these discussions.

subject access request

RBS says it has checked with its SAR team. This team confirmed that all the information that it was able to send and that was relevant to Mrs M's request was sent to her. And from the available evidence, this does seem to be the case.

In any event, if Mrs M is unhappy with how RBS deal with her request, this is a matter she should take up with the Information Commissioner's Office rather than us.

instalment due date

From the available evidence, I can't see that Mrs M asked RBS to change the date of her monthly repayment. So I'm not satisfied the bank has done anything wrong regarding this.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 12 September 2016.

John Miles
ombudsman