

complaint

Mr G complained that The Royal Bank of Scotland Plc:

- didn't refund charges incurred when the bank lost his £200 cheque;
- didn't properly investigate his complaints;
- rejected his offer of £500 to settle and close his account, without reasons; and
- failed to reach agreement about a fair settlement taking all his previous complaints into account.

background

Mr G opened a current account with an overdraft with RBS in 2002. Throughout the history of the account, there were occasions when Mr G didn't meet the required payments, so at various times his overdraft facility was reduced and his account entered the bank's collections process. There were also letters about the overdraft limit and the fact Mr G wasn't making regular payments towards his debt. RBS explained how charges work and credited Mr G's account with £414 in June 2013 as a gesture of goodwill, and also paid him £90 for not responding to a letter and reducing his overdraft without first informing him.

Mr G complained to RBS, but wasn't satisfied with the bank's responses and complained to this service. He said he'd been in dispute with the bank for about ten years, but listed the four specific issues above, which had arisen in the previous six months. He said these formed the subject of his complaint to this service.

complaint that RBS didn't refund charges when it lost his £200 cheque

Mr G posted a cheque for £200 to be credited to his account, which RBS received on 7 January 2014. In mid-February RBS informed him it had lost his cheque, but it then deposited the cheque two weeks later. The cheque then bounced. The adjudicator thought RBS should have deposited the cheque by 17 January at the latest, and shouldn't have told Mr G it had lost his cheque. She also considered RBS shouldn't then have presented the cheque without telling Mr G. She upheld this part of the complaint and considered RBS should compensate Mr G £100 for distress and inconvenience.

complaint that RBS didn't properly investigate Mr G's complaints

The adjudicator examined letters written by Mr G in January and February 2014. She concluded that RBS didn't properly investigate two of Mr G's letters during this period. One wasn't treated as a letter of complaint, and another referred to lack of contact with the bank's collections department when Mr G had sent the £200 discussed in the previous point. The adjudicator upheld this part of the complaint and considered RBS should compensate Mr G £75 for distress and inconvenience.

complaint that RBS rejected Mr G's offer of £500 to settle and close his account, without giving reasons

The adjudicator considered that RBS should have explained comprehensively why it rejected Mr G's offer of £500 in full and final settlement of the debt of approximately £1,200. As the bank's letter of 16 May rejected the offer without giving reasons, the adjudicator upheld this part of Mr G's complaint and considered RBS should compensate Mr G £25 for distress and inconvenience.

complaint that RBS failed to reach agreement about a fair settlement taking all his previous complaints into account

The adjudicator noted that Mr G hadn't provided evidence that he submitted complaints over ten years, and nor had he provided evidence of RBS's actions or inactions which meant his complaints were unresolved. She didn't consider it reasonable for Mr G to want his balance to be off-set against unresolved complaints when Mr G couldn't evidence any unresolved complaints. So she didn't uphold this part of the complaint.

The adjudicator therefore recommended a total of £200 compensation, plus adjustments appropriate to Mr G's cheque having been promptly deposited in January 2014.

RBS accepted the adjudicator's view. But Mr G wasn't satisfied. He said he had extensive records of earlier complaints but he had archived these and always intended to provide more records. He said it wasn't reasonable for RBS to refuse to investigate historical complaints. He said he was trying to close the account, so it wasn't reasonable for RBS to make 'over the limit' charges.

my findings

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

Firstly, I can only consider the elements about which Mr G complained in his complaint form to this service. It's not possible for Mr G to add additional complaints at this stage. And in any case, banks aren't obliged to keep records indefinitely, so I find that it would be reasonable for RBS to refuse to look at very old complaints.

Looking at the four elements about which Mr G complained, I agree that RBS made a mistake when it told Mr G it had lost his cheque, but then tried to deposit it without telling Mr G. It wasn't surprising Mr G would have stopped the cheque in these circumstances. I also require appropriate fees and charges to be adjusted so that Mr G is put back in the same position he would have been in had his 7 January 2014 cheque been promptly deposited. Similarly, I agree with the adjudicator's view on the second element, about RBS's investigation of Mr G's complaints.

The third element of Mr G's complaint related to RBS's refusal to accept £500 in full and final settlement of his account. Here, I don't find that it was essential for RBS to give comprehensive reasons why it would not accept £500 in full and final settlement of a debt of around £1,200. I've seen no evidence that Mr G supplied the bank with any detailed information about any financial hardship. Similarly, I note that Mr G told RBS that he proposed to pay off the balance in one or two lump sums after the conclusion of this complaint – which again doesn't indicate hardship. So I don't see why RBS should write off the remainder of Mr G's debt, and I don't find that the bank was obliged to explain why it wasn't willing to accept a low proportion of Mr G's outstanding debt.

The fourth part of Mr G's complaint was about RBS not reaching agreement about a fair settlement taking all his previous complaints into account. I agree with the adjudicator that it's not reasonable for Mr G to want his outstanding balance to be written off on the basis of unresolved complaints, which he hasn't evidenced. In any case, I note that he's referred to complaints going back ten years. So even if he had included these as part of his original complaint, and provided full details, it's likely that they might fall outside the period when a

bank might reasonably be expected to keep records. So I don't uphold this part of Mr G's complaint.

I have taken an overall approach to compensation for Mr G's complaints, rather than an itemised one. I note that RBS has agreed to pay Mr G £200 compensation, and to adjust appropriate fees and charges so that Mr G is put back in the same position he would have been in had his 7 January 2014 cheque been promptly deposited. I consider that this is generous, especially as Mr G has already had £414 of charges refunded, and £90 compensation paid to him.

my final decision

My final decision is that I uphold this complaint in part. I order The Royal Bank of Scotland Plc:

- to pay Mr G £200 compensation for distress and inconvenience in respect of his complaint; and
- to adjust any appropriate fees and charges so that Mr G is put back in the same position he would have been in had his 7 January 2014 cheque been promptly deposited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G to accept or reject my decision before 28 May 2015.

Belinda Knight
ombudsman