

## **complaint**

Mr D complains that The Royal Bank of Scotland Plc (RBS) didn't close his account when he instructed it to and it now says he owes around £1,500.

## **background**

Mr D says he closed his RBS account about 10 years ago. But the bank says he owes money on it and has passed it to a debt collection agency.

RBS said Mr D had two RBS accounts. He had a loan account and missed a payment in March 2009. When the bank contacted him he said he was dealing with a debt advisory service. So RBS placed that account on hold. His current account was overdrawn from February 2009 and so it wasn't able to close it. Mr D didn't contact the bank any further and on 26 May 2009 it sent a default notice to him followed by a formal demand on 6 July 2009. It passed his accounts to its collections team and it registered a default which has now dropped off Mr D's credit record.

Mr D's current account had an overdrawn balance on 5 March 2009 of £1,684.43 and by 22 June 2015 charges and interest applied by RBS had increased that debt to £2,060.24. It didn't think it'd done anything wrong but as a gesture of goodwill it refunded interest of £139.08 and charges of £356.75. The loan debt was fully repaid in September 2017.

Our investigator didn't recommend Mr D's complaint should be upheld. He was satisfied that RBS couldn't close his current account because it was overdrawn at the time. And he noted that the debt is still outstanding. Mr D was unhappy with this assessment and said he didn't receive any letters in 2009. He wants to see copies of them. He is adamant he brought the account back to a credit balance before asking RBS to close it.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

RBS wasn't able to give us copies of the individual notice and demand it sent to Mr D. This is because it's an automated system and it only has the templates. But I can see from the bank's records it noted that it sent the default notice to him on 26 May 2009 and it sent the formal demand on 9 July 2009. But Mr D says he didn't receive them. So I need to decide if, on the balance of probabilities, the bank did send these letters. In other words, is it more likely than not that the bank complied with its obligations to tell him that it was going to default his account? And I think it did. It's given us templates of the letters. It's sent us records going back to 2009 which show it sent out the templates which it would've personalised for Mr D. I can see from the bank's internal records that Mr D says he always has mail redirected from previous addresses. And I accept he didn't receive these letters but I can't fairly hold RBS responsible for any failings in the postal system after the letters left RBS.

I appreciate Mr D's adamant he'd brought his account into credit before asking RBS to close it. But the bank says it was overdrawn at the time. As above, I have to decide what I think is most likely to have happened here. I can see from the bank's records that Mr D's current account was last in credit on 2 February 2009. There is then a series of transactions including a debit card purchase and outgoing direct debits on that day which took his

account into an overdraft. On 5 March 2009 a number of cheques were presented for payment. Mr D's account was now £1684.43 overdrawn. RBS added interest and a number of charges so by 10 August 2009 his account was overdrawn by £2180.24. So I'm satisfied that RBS couldn't close the account because it wasn't in credit. I acknowledge that due to the passage of time Mr D isn't able to remember the transaction history of his current account. But I think that at the time he should've been aware he'd made a number of transactions on that account which would've taken it into overdraft.

The debt collection agency seems to have made an adjustment of £120 in June 2014. And the bank has now refunded interest and charges which has brought Mr D's debt down to £1,564.41. I know Mr D won't agree with me, but I think that's fair and reasonable in all the circumstances. So I'm not going to ask RBS to do anything more.

I'm sorry that I'm not able to uphold Mr D's complaint for the reasons I've given. But I would urge Mr D to contact the debt collection agency to try and come to an arrangement to repay this debt.

### **my final decision**

My decision is that I don't 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 2 August 2018.

Linda Freestone  
**ombudsman**