

## **complaint**

Mr R has complained that The Royal Bank of Scotland Plc ('the bank') refused his request for a fixed rate loan to repay his credit card account with the bank.

Mr R has also later complained about the circumstances surrounding his full repayment of the credit card account.

## **background**

Mr R has said that in 2015 he made requests to the bank for a fixed rate loan, which the bank unreasonably refused. He wanted to use the loan to repay the balance on his credit card account, and he could then repay the loan more quickly and more cheaply than the credit card balance.

In 2018 Mr R complained about the bank's refusal to give him the fixed rate loan. Mr R said that in the intervening three years the credit card balance hadn't significantly reduced because of the interest and charges added to the account.

Mr R suggested the bank had refused his request for a fixed rate loan because basically it made more money out of him while he continued with his credit card account. Mr R said the bank had been guilty of irresponsible lending and should write off the credit card debt.

The bank didn't uphold Mr R's complaint. It said it wouldn't simply convert the credit card account to a fixed rate loan account. But Mr R was free to apply for a fixed rate loan, in which case his application would be duly considered by the bank, though there was no guarantee his application would be successful.

Unhappy with the bank's position, Mr R came to the ombudsman service. The bank didn't consent to us investigating events earlier than six years ago.

Our adjudicator didn't uphold Mr R's complaint. As Mr R has taken serious exception to how the adjudicator phrased her conclusions and wishes to pursue a separate complaint about that, I don't summarise those conclusions in any detail here. Suffice it to say that the adjudicator didn't conclude that the bank ought to have given Mr R a fixed rate loan in 2015. She also concluded the bank had the right to add the interest and charges to Mr R's credit card account. Mr R didn't accept the adjudicator's conclusions.

After the adjudicator's conclusions, Mr R raised a further issue. He repaid his credit card account, but he says a mix-up occurred over the payment reference, for which the bank was responsible. Mr R says this led to (a) the possibility that further interest would be charged and (b) a delay in the bank communicating with him and confirming the account was closed.

Mr R submitted the new complaint to the bank, which in turn asked the ombudsman service to deal with the new complaint as part of, or alongside, the existing complaint.

As I've said, Mr R also wishes to complain about the phrasing of the adjudicator's conclusions. That complaint isn't for me to investigate, but Mr R understands that he can't ask for that complaint to be looked into until a final decision (ie this present decision) has been reached on his complaint about the bank.

## **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't deal with the new complaint in this final decision. An ombudsman can't reach a final decision on a complaint unless there have been prior provisional conclusions. And in the circumstances, I don't want to delay the final decision on Mr R's original complaint.

Regarding the original complaint – the complaint about the refusal of the fixed rate loan – I'm sorry to disappoint Mr R but I don't uphold it. There are two main reasons:

- Mr R says he made requests to the bank in 2015 for a fixed rate loan. The bank says it has no record of these requests. I've seen a copy of the bank's account notes, and indeed they contain no reference to Mr R applying for a fixed rate loan in 2015. I've seen no copy letters or emails containing requests for a fixed rate loan. That being so, I don't think the evidence allows me to conclude that Mr R asked for a fixed rate loan in 2015 or that the bank refused such requests.
- Credit card customers don't have a right to have their accounts changed to fixed rate loans, either directly or indirectly. It's a matter for the bank's commercial judgement whether it wishes to grant a customer a fixed rate loan. The ombudsman service would expect that judgement to be exercised legitimately, but in this case there's nothing for the ombudsman service to assess, as the bank didn't consider an application for a fixed rate loan in 2015 or give any reasons for refusing such an application.

I don't think this is a case of irresponsible lending. I don't think the lending has ever been unaffordable for Mr R. The interest and charges that the bank added to the account were lawfully added, and I can see no case for them to be refunded. Nor, even if it hadn't now been repaid, would I have seen a case for the account balance to be written off.

Finally, in his most recent letter Mr R asked for compensation for the delay in his complaint being considered. This decision deals with Mr R's complaint about the bank. I don't think the bank has been guilty of any delay in relation to Mr R's original complaint.

**my final decision**

I don't uphold Mr R's complaint.

If Mr R wishes to continue with the new complaint, he should confirm that to us. But that won't prevent him from proceeding with his service complaint about the wording of the adjudicator's conclusions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 2 May 2020.

Roger Yeomans  
**ombudsman**