

## **complaint**

Mr M complains that The Royal Bank of Scotland plc misled him about being able to retain his existing current account and then sent him a letter saying his complaint had been resolved when it had not.

## **background**

In February 2014, Mr M was filing for a debt relief order and wanted to keep his existing current account with The Royal Bank of Scotland. He says he contacted the bank to explain his situation and that he was told he could keep his account if he brought it into credit and cancelled his overdraft facility. On 18 February, Mr M paid £40 into his account, bringing it into credit, and cancelled his overdraft. He says he would not have done this had he known that he would not be able to keep his account. Mr M became subject to a debt relief order on 24 February. Mr M then got a letter from the bank dated 11 March, saying that because he had entered a debt relief order he could only have a basic account and that his existing account would be converted to this. Mr M complained to the bank and says the response he received was insufficient.

The bank says that it followed its policy by downgrading Mr M's account. It has not been able to find a record of the call Mr M made to the bank in February to discuss his account but says it gave him the benefit of the doubt that he was provided with the wrong information on this call. In its final response letter dated 14 March 2014, it offered Mr M the opportunity to contact it to discuss compensation for the time and inconvenience this issue had caused. Since our involvement, the bank has offered to pay Mr M £50 as a gesture of goodwill.

The adjudicator explained that it was the bank's policy to only provide basic accounts for customers that had entered into debt relief orders and we could not compel the bank to reinstate Mr M's previous current account. He found that the £50 compensation offered by the bank was reasonable and more than the £40 Mr M had paid to clear his overdraft.

Mr M did not accept this. He said that the bank had breached its own policy by saying he could keep his current account even though he was filing for a debt relief order. He says that the bank should have a recording of the call he made in February and that this call would prove his case. He said that the £50 offered was insulting.

## **my findings**

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

Mr M says that following information given to him on a call to the bank in February, he paid £40 into his account to bring it into credit and cancelled his overdraft facility. I understand Mr M's annoyance that the call recording has not been provided but I accept that the bank would have provided this if it was available. Because the call recording is not available, I cannot conclude whether Mr M was told that he needed to bring his account into credit in order to continue to have an account with the bank or whether he was told these actions would allow him to keep his existing account. That said I accept that Mr M paid money into his account and cancelled his overdraft because he thought he would be able to retain his account.

While I accept that Mr M may not have received the right information about his account, I do not find that he was disadvantaged by this. The bank's policy states that a customer who has entered a debt relief order can only continue to have an account with the bank if their account is in credit. Therefore Mr M needed to bring his account into credit in order to continue banking with The Royal Bank of Scotland.

Mr M says that the bank breached its policy by telling him he could keep his existing account when he was entering into a debt relief order. I have accepted that Mr M was not provided with the information he needed when he called the bank but I do not consider this to be a breach of bank policy. I have looked at the bank's policy relating to debt relief orders and find that by downgrading Mr M's account to a basic account as soon as it received notification of his debt relief order it has followed its policy.

Mr M has also said that the bank's response to his complaint was not satisfactory. Having looked at the response I find that the bank explained why Mr M's account had been downgraded and offered to discuss compensation for his visit to the branch. It also set out the next steps if Mr M was not happy. I find this reasonable.

The bank has offered Mr M £50 compensation. Mr M has not accepted this. I understand Mr M's frustration with this process. I also accept that he might not have paid money into his account if he had known it would still be downgraded. But because I find that the bank has not done anything wrong by downgrading Mr M's account and that Mr M was not disadvantaged by bringing his account into credit, I find the bank's offer of £50 compensation is fair and reasonable.

### **my final decision**

My final decision is that The Royal Bank of Scotland plc should pay Mr M £50 as it has offered to in settlement of this complaint.

Jane Archer  
**ombudsman**