

## **complaint**

Mr E complains about interest and charges placed on his current account by The Royal Bank of Scotland Plc ("RBS").

## **background**

Mr E holds a current account at RBS. He fell ill in September 2010 and feels that no interest or charges should have been applied since that time. The account was placed in collections in October 2010 but no repayments were made until July 2011. The account has gone overdrawn and interest and charges accrued on the balance. Mr E is unhappy that the interest applied prevents the outstanding balance from reducing. He would like the account to be closed.

RBS says the interest and charges have been applied in accordance with the terms and conditions of the account.

Our adjudicator did not recommend that this complaint should be upheld. She concluded that the interest and charges had been correctly applied.

Mr E disagrees. He has referred to other creditors who have credited his account with interest that had been applied while he was in difficulties.

## **my findings**

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

I feel for Mr E as he has faced some difficulties and is clearly upset that his balance has not been reduced despite his attempts to repay it.

I can see Mr E fell ill and was unable to make repayments on his loan account after September 2010. I can see that as a result the current account along with Mr E's loan account were placed in collections due to the policy RBS has to move all accounts when one falls into arrears. Mr E has referred a separate complaint concerning the loan account to this service which I will address separately.

Mr E told RBS in March 2011 of his health issues and that he would like the accounts to remain open but that he would have trouble making his repayments. I can see that in April he asked for interest to be stopped on the loan account. This took place at the end of that month when the accounts were placed in debt recovery.

I can see that before Mr E entered into a repayment plan in July 2011. But solicitor's fees were added to the current account, increasing the debit balance, when Mr E made no attempt to repay any of the current account balance during May and June 2011.

Mr E has made repayments of £5 a month towards the balance in accordance with the repayment plan. I can see from the bank's contact notes that in May 2013 Mr E contacted the bank and explained that he was struggling due to his health and having to have a number of operations. The bank agreed to allow a month of 'breathing space' and requested medical evidence. In July 2013 the bank received Mr E's letter dated 30 May 2013, with medical notes. It reviewed Mr E's account but it

decided that Mr E did not meet the bank's criteria for being a vulnerable consumer, so the debt remained with mainstream recoveries.

I can see that Mr E would feel frustrated that his balance is not reducing with his monthly repayments and that he would like the debt to be cancelled and the account closed.

However, in all the circumstances I am unable to conclude that RBS has made an error in its handling of Mr E's account. I am satisfied that RBS has applied interest and charges in accordance with the terms and conditions of the account. While I accept that Mr E feels more could have been done, along the lines of what his other creditors may have done to assist him, such as reducing his overdraft, I am satisfied on balance that RBS agreed to accept minimum repayments every month and also provided Mr E with a month during which it required no repayments in 2013. I consider this to have been positive and sympathetic in all the circumstances. Overall, I do not consider that I can fairly require RBS to do anything further.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr E to accept or reject my decision before 4 March 2015.

Zoe Copley  
**ombudsman**