

complaint

Mr T complains that RBS would not reinstate his overdraft and instead agreed a loan which he says was irresponsible.

background

Mr T had an overdraft limit of £4,000 and when online says he accidentally amended this to £250. He applied for this to be increased again but RBS did not agree. Instead he says he was forced to take a personal loan for £5,000. He says this lending was irresponsible as he is a compulsive gambler and that this is obvious from the transactions on his current account. The loan is paid up to date and Mr T has not yet spoken to a relevant team in RBS about financial hardship.

The adjudicator did not recommend that the complaint should be upheld. She noted that at the time Mr T's overdraft reduced his account was operating within this limit. She said that a decision whether to increase an overdraft was a commercial one. She said that this also applied to the loan and accepted that RBS would look at a credit score rather than entries on Mr T's account when assessing the loan. She noted that Mr T's current account and loan were well maintained and she did not consider that RBS need take any other action. She provided Mr T with the details of independent debt advice organisations.

Mr T did not agree. He maintains that RBS was irresponsible in lending to him and that branch staff were only interested in selling other products to him.

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 agree with the adjudicator that any decision to lend or not is a commercial one. It is not one in which I can usually interfere. I can see that at least three applications were made to increase Mr T's overdraft for amounts at £3,000, £2,000 and £1,000. One of the applications was on the same day that he applied for the loan. The application form for the loan says that it was for one off personal expenditure. It was assessed using standard procedures and RBS said it had no reason to consider Mr T could not pay. It said he had applied for a loan the previous year and had repaid this in full within five months. He has maintained payments.

Whilst I appreciate Mr T's personal circumstances, he did bear a responsibility for applying for the loan. RBS has offered him help with financial difficulties and he may wish to seek independent debt advice and help with his gambling problems. I am not persuaded that RBS was irresponsible in agreeing the loan. I am not convinced Mr T would necessarily have been in a better position had it agreed an increase in his overdraft as he wanted. It did not act unreasonably.

I know my decision will come as a disappointment to Mr T.

my final decision

In light of the above, my final decision is that I do not uphold this complaint.

Michael Crewe
ombudsman