

complaint

Mr R complains that The Royal Bank of Scotland Plc didn't warn him in advance that it was going to issue a default notice.

background

Mr R had a repayment mortgage and flexible term loan with RBS. From May 2014 onwards Mr R missed a number of payments and his mortgage fell into arrears. And in July 2015 RBS issued a default notice.

Mr R complained. He said that RBS had treated him unfairly. This was because he'd told RBS he was going to be out of the country and that he wouldn't be receiving his mail. RBS rejected Mr R's complaint. It said it had called Mr R and written to him in accordance with his instructions. And it had been Mr R's responsibility to clear his arrears.

An adjudicator said that RBS hadn't acted unreasonably. It had made efforts to agree alternative arrangements with Mr R. And to contact him as he'd requested. It had also made Mr R aware of the consequences of not clearing his arrears.

Mr R doesn't accept this and he's asked an ombudsman to look into it. He says that he didn't see any letters from RBS while he was out of the country from March to September 2015. And it should have contacted him by email or text message.

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'm afraid that I'm likely to disappoint Mr R as I agree with the adjudicator. I don't think that RBS did anything wrong. And I don't think it should have to pay compensation to him.

I've looked at the contact notes and correspondence. I can see that RBS gave Mr R a number of opportunities to agree alternative payment arrangements. And it extended deadlines to allow him time to provide information.

When Mr R spoke with RBS on 10 March 2015 he said that he'd be out of the country until later in the month; that RBS should contact him again a few days after he returned and that he *'needs to find a way forward for both accounts'*.

RBS sent a detailed letter to Mr R on 10 March setting out his arrears. And methods by which he could clear these; including from overseas. On 26 March RBS then tried calling Mr R on his mobile and his landline overseas and it left a message for him. It also wrote to him again that day detailing his arrears; that his property might be repossessed if he didn't clear his arrears and providing more information about how to make payments from the UK or from overseas.

But Mr R didn't contact RBS again until he called them on 8 June to speak about his loan. He said that he would be looking to clear the loan arrears by the end of that month but said nothing about the mortgage arrears. Mr R says that RBS should have reminded him about his mortgage arrears and stressed the urgency of him making a payment to avoid a default notice being issued.

I don't accept this. Or that RBS treated Mr R unfairly by not referring him again to his mortgage arrears. This is because by 10 March 2015 Mr R would have been well aware that he had missed a number of payments over the preceding ten months. RBS had shown considerable forbearance in allowing him time to make alternative proposals. And by June 2015 Mr R would have known that the arrears remained outstanding.

Mr R had told RBS he would be back in the UK towards the end of March 2015 and that he would resolve matters then. I think that RBS was entitled to rely on Mr R's assertion; although I note it did try and contact him by phone overseas as well. I note also that on 10 March Mr R said that there was a risk that letters to his UK address might be 'redirected' to his address overseas. I think therefore that RBS made appropriate efforts to contact Mr R in the way he had requested and it had warned him of the potential risks of not clearing his arrears. I think it was reasonable for RBS to believe that letters sent to Mr R's UK address would reach him either there or via mail redirection to his overseas address.

It was Mr R's responsibility to maintain his mortgage payments. And having taken the steps that it did I think that RBS did not act unreasonably when it issued a default notice in July 2015. In the circumstances I don't think that RBS did anything wrong. Or that it should have to pay any compensation to Mr R.

my final decision

Therefore, my final decision is that I don't uphold Mr R's complaint against The Royal Bank of Scotland Plc. And I don't think it should have to compensate him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 April 2016.

Alan Harris
ombudsman