

The complaint

Ms D complains about The Royal Bank of Scotland Plc (RBS) adding her name to a joint account, agreeing an overdraft without her knowledge and unfairly defaulting the account.

What happened

Ms D was added to her ex-partner's joint account in 2014.

In 2023, the account defaulted due to overdraft arrears. Ms D feels she shouldn't be liable for the debt. She says she was deemed unfit for credit, didn't take out the overdraft, was coerced and wasn't given any support when she complained.

Ms D explains that she has been proactive with the account and the default occurred because RBS didn't communicate with her by her preferred method.

For these reasons Ms D wants RBS to:

- Remove her name from the account
- Remove the default from her credit file
- Pay her compensation

RBS say they previously responded to Ms D's requests to be removed from the account and were unable to do so unless both parties agreed to this and if they can ascertain that the other party can service the debt. They also said that Ms D was liable for the debt, and they had correctly applied the default.

Ms D complained to our service; however, our investigator couldn't see that RBS had done anything wrong.

As Ms D remains dissatisfied, this case has now been referred to me to look at.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm not upholding this complaint and I'll explain why.

In cases where some information is incomplete, inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.

Ms D believes that she shouldn't be responsible for either the account or overdraft. Also, that RBS didn't offer support or consider freezing her account when she asked for support.

The file shows that Ms D previously complained about this to RBS in both 2020 and 2022. Ms D wanted to know how RBS had agreed the overdraft facility without her approval and requested that her name be removed as the joint party.

RBS didn't uphold her complaints and gave advice. They explained that joint accounts are subject to 'joint and several liability' which means that each party is liable by themselves to repay the whole of the borrowing as well as together with the other party. Also, they said there was no error in respect of the joint party applying for an overdraft facility as under 'joint & several liability' each account holder could operate the account independently.

I found that following both complaints RBS gave Ms D the following referral rights which had a 6-month time limit:

'If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances'

As Ms D didn't submit a complaint to our service within the time limits, I considered if there were any exceptional circumstances that may have prevented her referral.

I found that Ms D informed RBS that she had been coerced into agreeing to the joint account. However, this was shortly after her second complaint in 2022, which was two years after she had separated from her ex-partner.

This led to RBS undertaking an investigation in line with their coercive debt framework. RBS have file notes and these show that they couldn't see any evidence of coerced debt or request to freeze the account. Also, they had evidence that both parties were using the account when it went into an overdrawn position, so they couldn't determine that Ms D wasn't gaining a benefit from the funds.

Furthermore, the file submissions from Ms D describes an ex-partner experiencing financial management difficulties.

So, considering the above and all the information on file, I can't see any exceptional circumstances to look at the complaints Ms D raised with RBS in 2020 and 2022 about opening the account, the overdraft or lack of support.

I did though look closely at whether RBS acted in a fair and reasonable way when applying the default to Ms D's joint account.

As Ms D said she didn't know about RBS's default action and *"would have contacted the bank immediately to make some payment arrangements"*, I looked closely at the terms and conditions of the account and the correspondence on file.

Having done so, I'm satisfied that RBS acted correctly. They sent letters to the address they had on their system, which was provided by Ms D, informing her that her account was in arrears and of their intended action. They also sent support letters together with emails and attempted collection calls.

Ms D says she didn't receive RBS's important notification letters, her preferred method of contact was by email and the emails she received were unclear. However, the reason Ms D didn't receive RBS's letters was because she didn't update her address due to confidentiality concerns.

Although I can understand Ms D's address concerns and think it more likely than not that she did state a preference for email communication, I can't see that she had a discussion with RBS about her communication concerns. Had she informed RBS that it was more than a preference, I think it likely that alternative methods of receiving important and sensitive correspondence, that banks can't send by email for security reasons, could've been discussed or explored.

Also, it appears that Ms D may possibly have a connection or arrangement with the address RBS hold. I say this because Ms D hasn't provided RBS with a new address. Also, she hasn't explained how she intends to manage correspondence being sent to her at the address they held. Furthermore, RBS say they have no records of any letters being returned and Ms D was using the address they held when they communicated with her about her complaint in 2022.

From reviewing RBS' summary of calls and correspondence, including statements and email alerts, I don't think it would be fair to say that RBS have made an error in their communications. Also, I found RBS offered support and payment plans.

I recognise Ms D's difficult position here and appreciate she will be disappointed with my decision but, having considered all the above, I think RBS have acted fairly and reasonably when applying their default process.

So, having considered all the above and information on file, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 19 January 2024.

Paul Douglas
Ombudsman