

The complaint

A company, which I'll refer to as D, complains that The Royal Bank of Scotland Plc made errors which prevented the company from benefiting from a repayment holiday on its borrowing.

What happened

D had a Bounce Back Loan (BBL) from RBS. BBLs were provided by lenders under a government-backed scheme which was designed to help businesses get finance more quickly if they were adversely affected by the coronavirus outbreak.

In August 2022, D wanted to use the Pay As You Grow (PAYG) option to take a repayment holiday from the BBL repayments. Things went wrong, D had difficulty accessing its online banking, and no repayment holiday was actioned.

D complained to RBS. In response, the bank said that its errors may have affected the payment holiday application. It paid £300 in compensation and apologised for the inconvenience. D wasn't satisfied and referred its complaint to us.

Our investigator looked at the evidence and concluded that RBS didn't need to take any further action. He gave these reasons, in summary:

- It wasn't entirely clear what had happened after D applied, but he thought the PAYG repayment holiday wasn't put in place, as a result of an error by RBS.
- Our normal approach would be to expect the customer to be put back in the position they would have been in if the error hadn't happened. In this case, that would mean asking RBS to apply a six-month repayment holiday retrospectively. But that would mean that D would now be expected to make full loan repayments as well as making up for the holiday period. The investigator didn't think that would help D in its current circumstances.
- D's accounts have now been transferred to RBS's Specialised Business Management Team. The investigator thought the best course of action would be for both parties to arrange a mutually acceptable repayment plan for the BBL.
- The investigator thought it clear that the bank's error had caused inconvenience to D. He thought the £300 already paid by the bank was fair and sufficient compensation.

D doesn't agree with the investigator's conclusions. Its director says that the PAYG failure was caused by an underlying and ongoing problem of access to D's accounts. He also says the £300 compensation isn't enough to cover the inconvenience to D.

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 that, I've reached the same conclusions as the investigator, and for largely the same reasons.

D has complained to this service about other problems with its RBS accounts, and these are being dealt with as separate complaints. My decision here is solely about the problems with the attempted repayment holiday arrangement in August 2022.

RBS has acknowledged that the repayment holiday process was disrupted by its errors, and it has apologised. However, I agree with the investigator that it wouldn't be in D's interest for RBS to apply the repayment holiday retrospectively, and my understanding is that D doesn't disagree with that point. With D's accounts now transferred to the bank's Specialised Business Management Team, the parties can now discuss options for repayment.

I've thought carefully about the level of compensation due for the inconvenience caused by RBS. I can understand that D's director would himself have been upset by the bank's errors and would have suffered personal inconvenience, but in this decision I can consider only the inconvenience suffered by D as a company. In the circumstances of this complaint, I think £300 was enough to compensate D for the company's inconvenience regarding the repayment holiday.

For the above reasons, I think RBS has already done enough to settle this complaint.

My final decision

My final decision is that I don't require The Royal Bank of Scotland Plc to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 5 December 2023.

Colin Brown
Ombudsman