

The complaint

Ms M complains about the lack of support from The Royal Bank of Scotland Plc while she's been in arrears on her mortgage. Ms M said that she had accrued arrears due to caring responsibilities, and she felt RBS should be doing more to support her at this difficult time.

What happened

Ms M said her income had been affected by her caring responsibilities. She told us she'd accrued arrears whilst she was unable to work whilst caring for her parents. When this case came to our service, Ms M told us that one of her parents had sadly passed away, and Ms M said she was hoping to be employed soon. Ms M said she felt that RBS should be doing more to support her.

Ms M asked our service if litigation would be paused while our service considered this complaint. Our service agreed a pause in litigation action with RBS.

RBS sent our service the most recent complaint response letter it had issued to Ms M. In that letter, it said Ms M was unhappy that her account had been passed through to its litigation team without notification. Ms M said RBS should have called her to discuss the situation.

RBS said that it had previously had several conversations with Ms M about potential litigation action. It had decided to send Ms M a letter warning of legal action in mid-October 2022, because Ms M hadn't been in touch since early September. It didn't think that was a mistake. RBS noted that Ms M had cancelled field visits from its agents, saying that relatives in ill health were in the home.

RBS drew Ms M's attention to organisations who offer free advice and services to people needing financial assistance. It didn't offer to suspend legal action.

RBS has also shown our service a number of previous complaint letters. It considers that it has kept Ms M aware of the status of her mortgage, and of the possible impact of the arrears on her account. It has apologised if Ms M has found its letters upsetting, but it says it has to inform Ms M of the potentially serious consequences of arrears on her account. And RBS has shown us that, unfortunately, Ms M has had issues with arrears on her mortgage account over a number of years.

Our investigator didn't think this complaint should be upheld. He said that Ms M had been in arrears for some years now, and during this time RBS had offered her payment deferrals, payment plans and Covid-19 payment deferrals in 2020. Our investigator said he thought that RBS had been accommodating to Ms M during a very difficult time in her life.

Our investigator said that RBS had sent an income and expenditure plan to Ms M, but he couldn't see she'd responded to this. Ms M remained in substantial arrears, and it wasn't unreasonable for RBS to start legal action. Our investigator said he was satisfied that RBS

acted fairly and it was reasonable to proceed to litigation considering that Ms M was in over £8,000 of arrears. So he said he wouldn't ask RBS to do anything further.

Ms M didn't agree with our investigator. She said life had been very difficult for her over the past few years. She said that at the moment she doesn't have a stable or guaranteed income, and our investigator noted that RBS may have difficulty setting up a payment plan to clear the arrears, because of this. Ms M expressed some new concerns about her mortgage, stating that the arrears are wrong, and that she had concerns that a scam payment she'd made in branch some years ago had contributed to her debts.

Ms M then sent our service a fresh complaint response letter from RBS. This letter was sent to Ms M after she brought her complaint to our service, and after our investigator had reached his view on her complaint. Ms M wanted us to look into these issues too. Our investigator has explained to Ms M that these new issues would need to be raised as a separate complaint with our service.

Ms M repeatedly asked for further time to respond to our investigator's view, as she told us that her surviving parent was now quite seriously ill. Our investigator extended time in this case for Ms M to comment further. During this time, the existing hold on litigation in this case expired. Ms M asked us to ask RBS again to pause legal action, and I understand it has done so. Ms M hasn't sought further extensions of time, so I think it's now appropriate for me to reach a final decision in her complaint.

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.

I've been very sorry to hear about all the issues that Ms M has faced recently, and in particular both the sad death of one parent compounded by the severe illness of another. I do of course understand why these issues have taken precedence for her, particularly recently.

It does appear, however, as if Ms M's problems with arrears on her mortgage have been ongoing for some time. I think RBS has responded appropriately, and fairly, to the issues Ms M has raised. I can see that it has repeatedly offered payment plans, which Ms M has taken up but unfortunately has at times struggled to maintain, for reasons linked both to her employment and her caring responsibilities. I can also see that RBS has offered to discuss other options with Ms M, at points when these may have been appropriate, such as extending the term of her mortgage. More recently, RBS has been clear with Ms M that it now intends to take further action.

I can understand why Ms M would find it upsetting to be notified of litigation proceedings at a time when she was recently bereaved, and seeking to care for a very ill relative. But I don't think that RBS has failed to support Ms M in this case. And I don't think it would be fair and reasonable for me to request that RBS further defers legal proceedings in this case now.

Ms M has said that she's made a number of additional payments over this year, to bring down her arrears. She's also told us that she expected to start a course in summer 2023, which would include a bursary, so she would have an income. I note that much of this has happened after Ms M initially brought her complaint to our service. And I don't think it would be appropriate for me to delay a resolution in this case, by considering these new issues now. So it will be for RBS to assess any additional payments that Ms M has made recently, and consider whether its previously postponed litigation action remains appropriate.

I know that Ms M will be greatly disappointed by my decision, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 26 September 2023.

Esther Absalom-Gough

Ombudsman