

## **The complaint**

Mr T is unhappy with the service he received from The Royal Bank of Scotland Plc ("RBS") surrounding defaults reported by them to his credit file.

## **What happened**

To briefly summarise: In 2019, Mr T referred a complaint to this service about defaults that had been reported by RBS to his credit file. His complaint was upheld by this service and RBS were instructed to remove the defaults from his credit file and to allow Mr T the opportunity to affordably repay the relevant accounts.

Following this service's decision in 2019, Mr T was expecting to be contacted by RBS to arrange repayment of his accounts but didn't receive any contact from them. Mr T also noticed that the defaults RBS had been instructed to remove were still present on his credit file. So, he raised a new complaint.

RBS explained to Mr T that they had removed the defaults from his credit file in 2019 and sent letters to him inviting him to contact them and discuss repayment of the accounts. And RBS further explained that because no contact had been received from Mr T, and because Mr T hadn't subsequently made sufficient payments towards his accounts, they had been defaulted for non-payment again, for a second time, in 2020, but that RBS had backdated the date of default to the original default date in 2018 for the benefit of Mr T.

However, RBS acknowledged that they'd held an incorrect address for Mr T and so had sent all correspondence following the original decision made by this service to a wrong address. Because of this, RBS agreed to write off the balance of Mr T's account – cumulatively totalling approximately £4,450 – and remove all credit file reporting relating to those accounts from his credit file. Additionally, RBS also sent Mr T a cheque for £250 as compensation for any upset and trouble he had incurred. Mr T wasn't satisfied with RBS's response to his complaint and felt a much larger award of compensation was merited for the distress this matter had caused him. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that the response to Mr T's complaint issued by RBS already represented a fair resolution to what had happened. Mr T remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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 feel that the corrective action implemented by RBS as per their response to Mr T's complaint dated 17 January 2023, including the payment of £250 compensation that RBS issued to Mr T by cheque at that time, already represents a fair outcome here, and so I won't be upholding this complaint or instructing RBS to do anything more.

One reason I take this position is because, after the previous decision issued by the service

in 2019, which resulted in RBS removing the defaults from Mr T's credit file, Mr T remained liable to repay the balances outstanding on the two accounts. This cumulative balance totalled over £4,000. And Mr T, having received the previous decision issued by this service, was aware that he was required to repay this money. However, ultimately, he didn't.

In his correspondence with this service Mr T has stated that because RBS were sending letters to the wrong address, he wasn't given the chance to begin repaying his accounts again. But Mr T was aware of his responsibility to repay the accounts, and so should reasonably have contacted RBS himself to arrange repayment, if no letters had been received by him at his correct address. And I'm satisfied that Mr T's responsibility to repay the accounts wasn't in any way lessened by RBS sending letters to an incorrect address.

As such, RBS's decision to write off the balances of his accounts seems generous to me and goes beyond what I would potentially have instructed RBS to do had this complaint been received by this service with RBS not having taken such action. Indeed, I can confirm that any instructions I may have potentially issued in such a scenario would have been founded on the basis that it would have been fair and reasonable for Mr T to repay the money that he'd received and had the benefit of, regardless of any administrative errors that RBS may have made concerning Mr T's address.

Accordingly, while it's clear that RBS didn't act as they should have here by not contacting Mr T at the correct address, I feel that Mr T also hasn't acted as he should by not contacting RBS to arrange repayment of his accounts, following his not receiving the contact from RBS that he was expecting. And I reiterate that I don't consider Mr T's responsibility to repay his accounts was lessened in anyway by RBS not sending letters to his correct address.

Mr T has also stated that RBS didn't remove the defaults from his credit file following the original decision as they should have. But RBS have demonstrated that they did remove the defaults as instructed. But, because Mr T didn't then make payments towards the accounts in line with his responsibilities as the account holder, the accounts fell into arrears and were defaulted again, for a second time – with the date of default being backdated by RBS to the original date of default in 2018 for Mr T's benefit, so that the reporting of the defaults would drop off his credit file sooner than would be the case had they been dated in 2020.

Had Mr T contacted RBS to arrange repayment of his accounts, as I feel he reasonably should have and as per his responsibilities as the account holder, then his accounts wouldn't have fallen into arrears again and wouldn't have defaulted for a second time. And because of this, I feel Mr T not contacting RBS was as much a contributing factor to the upset and trouble that he's experienced here as was RBS sending letters to an incorrect address.

Finally, Mr T has explained that RBS's actions have caused him considerable stress and upset and have affected his health, such that further compensation beyond the £250 that RBS have paid should be awarded. But, given that I feel that Mr T is jointly responsible for what happened following the issuance of the prior decision by this service – because he failed to meet his responsibilities to repay his accounts, as explained above – I don't agree. And I'm satisfied that the £250 that RBS have paid to Mr T is a fair compensation amount, especially in consideration of the generosity of RBS's other actions here.

All of which means that I'm satisfied that RBS have already resolved this complaint fairly, as per their complaint response letter dated 17 January 2023. And it follows from this that I won't be upholding this complaint or instructing RBS to take any further action.

I realise this won't be the outcome Mr T was wanting, but I trust he'll understand, given what I've explained, why I've made the final decision that I have.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 October 2023.

Paul Cooper  
**Ombudsman**