

complaint

Mr D says that The Royal Bank of Scotland Plc charged excessive interest on a fixed rate mortgage he took out in 2007. The regulator found that RBS had been guilty of misconduct relating to its submission of rates which formed part of the process of setting the London Interbank Offered Rate, or “LIBOR”. Mr D says that this affected interest rates available in 2007, including his fixed rate mortgage.

our initial conclusions

Our adjudicators did not recommend that the complaint should be upheld. The second adjudicator pointed out that the initial rate was fixed and the subsequent rate was not linked to LIBOR – it was for Mr D to decide whether to accept the loan on the terms offered by RBS or not. Mr D did not accept the adjudicators’ findings.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr D and RBS have provided.

RBS says that the fixed rate was not linked to LIBOR and the variable rate that the mortgage reverted to was linked to the Bank of England base rate. I don’t consider that there is enough evidence for me to say that there was a direct link between RBS’s misconduct and the way that the rate on Mr D’s mortgage was set. Bearing in mind the nature of the misconduct, it is unlikely to have meaningfully affected the rate that Mr D was charged.

In all of the circumstances, I don’t consider that the RBS’s actions have caused Mr D to suffer any loss. In any event, Mr D agreed to a fixed rate mortgage with RBS – I don’t consider it would be fair to treat him as if he had agreed a different rate.

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D either to accept or reject my decision before 3 September 2013.

Ken Rose

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

Mr D took out a mortgage with RBS. The mortgage had a fixed interest rate for two years, when it reverted to a variable rate that tracked the Bank of England base rate.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.