

## **The complaint**

Mr and Mrs M are unhappy that they haven't been able to successfully make payments from their account with The Royal Bank of Scotland Plc ("RBS").

## **What happened**

In October and November 2020 Mr and Mrs M tried to make payments to Mrs M's credit card using the debit card details linked to their current account with RBS which look to have been successful. When they looked at the statements for their credit card, they found that the payments hadn't been made though. At the time, they believed that interest and fees had been applied by the credit card company, along with negative information being recorded on Mrs M's credit file about this.

Mr M contacted RBS, as he said that they had given all of the correct details for the payment to be made. RBS responded to explain that some of the transactions had been declined because of the bank's policies and internal processes. RBS explained that this wasn't because of a bank error and suggested some methods that might avoid these issues again.

Mr M raised this issue again with RBS. This time, it advised him that the initial complaint wasn't investigated correctly. This time RBS clarified that the payments weren't successful because the reference details entered for the payments weren't correct and were declined by the credit card company. RBS advised Mr M to speak to the credit card company about this.

Mr M brought his complaint to us where one of our investigator's looked at it. They were satisfied that the issue Mr and Mrs M were facing with the payments was because Mr M was inputting the wrong reference number. They said that there was information about this online and on its banking app. So as RBS advised, Mr M would need to contact the credit card company about this, but they didn't think RBS needed to do any more.

Mr M then tried to make another payment which failed again, despite appearing to be successful. He spoke to the credit card company, which said that the error was because of the information provided at the point of payment with the bank. Eventually, our investigator worked out with RBS that the problem was because when a customer wants to send a payment to an account that has more than eight digits in the account number (as a credit card would) the sort code prepopulates and the account number puts a 'zero' in the relevant box. The payment screen then comes up with a link to a help sheet about what to do in these circumstances.

Our investigator considered this and was satisfied that RBS had now explained what the situation was and the reason behind the issue. But they did say that RBS had a number of opportunities to explain this to Mr M in a much clearer way than it did, much sooner than it did too. So they felt that RBS should pay £50 for the confusion this had caused, although they noted that the impact here was limited, as Mr M confirmed that Mrs M hadn't actually incurred any extra interest or charges, or adverse records on her credit file.

There was some confusion about this offer, the result of which meant that this £50 was paid

to Mr and Mrs M. But they eventually let our investigator know that they didn't accept this and wanted the issue to be rectified and fairer compensation paid.

### **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.

It's clear that there has been a lot of confusion around what the underlying issue was in relation to the payments here. But it seems that now, RBS has finally explained what the problem is and has suggested how Mr and Mrs M can avoid this in future. The current explanation RBS has given seems reasonable and appears most likely to me to be the cause of the problems Mr and Mrs M have had here.

I think it's fair to say that RBS could have handled this situation better though. Mr and Mrs M were clearly confused about their payments and RBS is the expert in how its systems work. While this was complicated slightly by the involvement of the credit card company as a third party – I still think RBS could have identified what the problem was and told Mr and Mrs M how they could have avoided this much sooner than it actually did.

Now that RBS has done that, it's also paid Mr and Mrs M £50. I realise that may not seem like much to them, but I think it's fair in the circumstances. They have clearly been caused some confusion and frustration by the situation here. It's fair that RBS compensates them for that, but equally Mr M has confirmed that there has been no further impact on Mrs M as he originally thought there had. That is fortunate, given what happened – but it does mean that there isn't any impact in this wider sense that I can fairly say that RBS needs to put right, or should fairly compensate them further for.

Mr and Mrs M have also suggested that they want this issue 'resolved'. We can't tell RBS as a bank to change the systems it has though – instead we look into the individual circumstances of a complaint. In doing that here, I think RBS has now provided a reasonable explanation for why the payments weren't successful and has explained what Mr and Mrs M can do to try and avoid this in future. There can always be problems with payments, as there can with any system, but I think the explanation and advice that RBS has now given is reasonable.

### **Putting things right**

In line with the above, I think the fair thing to do here would be for RBS to pay Mr and Mrs M the £50 that was recommended. It's already done that and so there is nothing further I need tell it to do.

### **My final decision**

My final decision is that it's fair that The Royal Bank of Scotland Plc has paid Mr and Mrs M £50 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 22 September 2022.

James Staples  
**Ombudsman**