

The complaint

Mr M complains that The Royal Bank of Scotland Plc (“RBS”) has unfairly treated him in relation to a business bank account.

What happened

The background of this complaint is well known to all parties, so I’ve summarised events.

- Mr M holds a business account with RBS. RBS sent many letters to Mr M requesting he provide certain information within a set timeframe, and these said if he failed to do so it would close the account. RBS has also contacted Mr M on the phone about this.
- Mr M said he provided the requested information on numerous occasions, yet RBS continued with this request repeatedly for a prolonged period. So, he complained.
- In January 2021, RBS wrote to Mr M with its final response. It apologised for any distress and inconvenience caused for making Mr M repeat himself. It offered £150 for his time spent, and £250 in compensation. And it offered to reimburse accountancy costs as a goodwill gesture upon receipt of these costs.
- The complaint was brought to this Service and our Investigator explained why she was only able to consider the matter from November 2019 onwards for reasons related to our jurisdiction.
- The Investigator upheld the complaint. She said RBS acted fairly in requesting the information initially as this was part of its due diligence and carrying out of its regulatory requirements. But she said another six letters to this effect were sent across 2019 and 2020 which was a mistake on RBS’ part due to internal workloads.
- She said RBS had confirmed it had all of the information it needed, and there was nothing further Mr M would need to provide. And its offer of £400 and to reimburse his accountancy fees was fair in the circumstances.
- Mr M responded to say his business profile still showed the information in question was “under review”. And he said he would not accept the view until it confirmed this was complete as he wanted confirmation the information requests would end.
- RBS responded, and said upon its review meant it actually did require further information from Mr M. Our Investigator communicated this to Mr M, he provided the information and it was passed to RBS.
- Our Investigator reconsidered the complaint in light of this development, and said RBS should award an additional £75 on top of its previous offer.
- Both parties accepted the view, and Mr M also provided his accountancy fees of £500 plus VAT which was shared with RBS.
- RBS later responded to say it did not agree to refund accountancy costs and it was unclear on what basis it would be liable for them.
- Mr M says RBS paid him £75 following this but nothing else – nor did it change his business profile to “complete”.

So, the matter was passed to me for an Ombudsman's decision. I issued my provisional thoughts on 4 November 2022. I've included an extract of this below.

- *"RBS requested information from Mr M. He hasn't refused to provide it. And he's seemingly provided this same information on a number of occasions.*
- *RBS has acknowledged that it has requested this information on a number of occasions as a mistake. So, it's clear to me RBS has made a mistake.*
- *RBS previously told our Service it didn't need anything further from Mr M and that it had stopped making requests, and would change his business profile to complete. It then changed its position and requested further information – which Mr M swiftly provided. Yet, the matter still appears outstanding now and Mr M hasn't had a resolution on this matter – reporting of the issue still ongoing.*
- *Given the timescales involved (RBS had previously agreed to resolve these issues well over a year ago), and the nature of this repeated issue only compounding Mr M's frustration over time, I'm minded to increase the compensation here again – awarding Mr M an additional £200 on top of the previous compensation award.*
- *This comes to £675. I understand Mr M has received £75 of this already. RBS can deduct from this overall award any sums already paid.*
- *RBS had previously told Mr M, in relation to his accountancy costs "if you can provide me evidence on these costs I will reimburse these costs as a good will gesture." These have been shared with RBS previously, and I've asked for them to be attached again to this decision. They total £500 plus VAT. I intend to direct RBS to settle this sum in line with its previous goodwill gesture.*
- *It is for RBS to determine whether it has carried out sufficient due diligence and regulatory requirements, and I don't intend on interfering with that. However, it's clear to me that Mr M has been patient and has provided what information has been asked of him. And I would expect RBS to be able to simply tell Mr M if there is any outstanding information that is required, which he can then provide, that will allow RBS to bring this matter to a close and hopefully avoid any further unnecessary requests and inconvenience. And I'm going to direct it to do this within 28 days of my final decision. If the matter does not get resolved, Mr M may bring a separate complaint about any events that follow this decision."*

Both parties have now replied with their thoughts. Mr M agreed with my decision but outlined the extent of the calls he'd had with RBS, and the efforts made. RBS said:

- It had paid £400 of the compensation in July 2022 following Mr M's further complaint. It provided a copy of internal screenshots which supported this.
- So, it said the remaining compensation owed was the additional £200 I had awarded within my provisional decision.
- It asked for the accountant's invoice to be re-sent once more.
- It confirmed its business review was still not concluded, and it appeared there was still outstanding requirements that needed to be met in order for RBS to satisfy its legal and regulatory requirements. It said it had reached out to its review team and they would contact Mr M directly to bring the matter to a close.

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.

Mr M has agreed with my decision but asked me to reconsider the compensation award.

I've thought carefully about the points Mr M has made, and the frustration this matter has caused him over the period. It's clear to me RBS hasn't provided good service to him in this case, and the matter seems to have become unnecessarily prolonged. Having done so however, I'm still satisfied the total sum of compensation amounting to £675 is fair and reasonable sum in the circumstances.

As RBS has accepted all of my directions, I'm satisfied my provisional decision outlines my position so I've no further comments to make. The accountancy invoice in question will be shared again alongside this decision

My final decision

I uphold this complaint. The Royal Bank of Scotland Plc must:

- Pay Mr M £675 in compensation in total. It can deduct from this any compensatory sums already paid – of which I believe it has now paid £475.
- Settle Mr M's accountant's invoice.
- Within 28 days of Mr M accepting a final decision, RBS must tell Mr M if there is any outstanding information that it requires, which he can then provide, that will allow RBS to bring this matter to a close.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 December 2022.

Jack Baldry
Ombudsman