

The complaint

Mr L complains that The Royal Bank of Scotland Plc (RBS) allowed his new debit card details to be passed to a third-party insurance company without his authority.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my 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, while I know this will be disappointing to Mr L, I don't think we can provide all the answers he would like us to. I am aware he would like us to consider his complaint in the round against all parties involved. But each individual case is set up against an individual party, in this case RBS. Because of that, within this decision I can only consider the actions of RBS, which is what I have done. And while I can take into account relevant law and regulatory guidelines, I ultimately have to decide what I think is fair and reasonable in the circumstances of the complaint.

Mr L is unhappy that when he telephoned his insurance company to make a payment, they had details of his new RBS debit card which he had not passed onto them personally. After researching how this could have happened, he found out about a scheme his card provider has, who we will call 'V' for the purposes of this decision, which automatically updates merchants with a consumer's new card details. Mr L says that he did not ask to be enrolled in this scheme and that RBS must be involved in some way as they issue his debit cards.

I've considered RBS' actions carefully, considering the terms and conditions of the account and their privacy policy, and having done so I have not found that RBS has acted unfairly. I agree with Mr L that there is no specific mention of the scheme in RBS' terms and conditions. So, I've looked at the account terms and conditions to see what provisions are made for sharing information. In section 14.7 it states:

We will not share your information with anyone outside NatWest (meaning the NatWest Group that includes RBS) except:

- *where required, whether directly or indirectly, for your product or service...;*
- *with third parties providing services to us...where advice or services are required or requested in connection with the bank's legal, regulatory or contractual rights or obligations relating to products or services provided to you.*

While I appreciate the fact that Mr L did not 'opt-in' to the scheme, I'm satisfied that the account terms do allow RBS to share Mr L's private information with other companies such as V in order to continue to provide services effectively. In this case, RBS has said they

would have provided V with Mr L's new debit card details, which the terms and conditions allow. My understanding is that V would then have updated the card details saved with merchants.

RBS has stated by using V as their card scheme provider, they were obliged to automatically enrol in the scheme and pass on the relevant information to V. And I think this ties in with the terms and conditions as set out above which state they can share information with third parties providing services to them where they are obliged to in relation to a product provided to Mr L.

Mr L has said that RBS' terms and conditions state that if they provide a new service, they have to provide notice of this within 30 days of the service starting. Mr L deems the scheme to be a new service and so thinks he should have been notified when it started. I've considered this carefully and I don't agree that RBS has provided a new service, so I don't think they were required to notify Mr L of it. I say this because I'm satisfied that the service is being provided by V, and not RBS. So, I don't think the term Mr L has highlighted applies in this instance.

Mr L has tried to contact V and asked a number of questions about the scheme, but has unfortunately not received a response. Because of this, he has asked RBS to contact V on his behalf. He's said that they should contact V as his contract is with RBS and RBS has a relationship with V. While I can understand why Mr L would like some answers from V about the scheme and how it works, I don't think RBS has a responsibility to contact V on his behalf. While I appreciate that RBS provides the debit cards that V provides the payment system for, the scheme is not set up or run by RBS and any issues Mr L may have with it are not the responsibility of RBS. Because of this, I think it was reasonable that RBS declined to contact V on Mr L's behalf.

I understand Mr L has been frustrated with RBS throughout this process as he has wanted more detailed answers than they have been able to provide at times. And the front-line staff have not always been fully aware of what the scheme is and how it works. RBS has awarded Mr L £50 compensation for any distress or inconvenience the communication issues have caused him. Our investigator felt there were other additional delays in a final response letter being sent and in Mr L receiving a response to a letter in December 2021. Because of this, she recommended a further £50 compensation.

I've thought about this carefully and I appreciate that RBS has caused delays throughout the process and have, at times, been unable to fully answer his questions. But I also have to consider that Mr L is asking about a product that is provided by a third-party which not all RBS staff will have detailed knowledge of. And I consider that RBS' initial letter did clearly set out as much information as they could provide, so any delays to later letters have not had a significant impact on the complaint. Overall, I think the total of £100 compensation offered is fair and in line with what I would have recommended in the circumstances.

Mr L has mentioned the length of time he has spent on this issue and I can see in his correspondence how seriously he has taken it. I have to take into consideration that this has also been a choice made by Mr L, so I don't think it would be reasonable to hold RBS accountable for the time Mr L has invested in this complaint.

Mr L has requested that he be opted-out of the scheme and made this request to RBS. RBS said in an earlier letter that while it has been stated that customers can opt-out of the scheme, RBS is still working on the process as it is unclear how this is possible. Mr L was understandably unhappy with this and I can appreciate his frustration. Since then, RBS has provided updates on its progress trying to work out a process to allow its consumers to opt-out of the scheme. Despite attempts they have been unable to do so.

I've considered this carefully and whether RBS has acted fairly and reasonably in the circumstances. From what RBS has said, I think they have reasonably taken steps to try and find a process to allow its customers to opt-out of the scheme. I understand it is frustrating for Mr L that they have not been able to do this, considering his strength of feeling on the matter. But I can't reasonably fine or punish RBS because they have been unable to find a way forward to allow customers to be opted-out of the scheme. And I cannot force them to do something they are unable to do. So, while I do understand this is not the outcome that Mr L is looking for, I do not instruct RBS to take any further steps to remedy this point.

In summary, I don't think RBS has made an error when they shared Mr L's information with V, and I don't think they are responsible for what V then did with that information. I don't think it was unreasonable that RBS could not provide Mr L with answers to all of his questions, as they did not provide the service which Mr L was unhappy with. While it is disappointing that RBS has not provided Mr L with the opportunity to opt-out of the scheme, I don't think it needs to do anything to remedy this.

My final decision

I uphold Mr L's complaint against The Royal Bank of Scotland Plc in part and direct it to pay him £100 compensation if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 March 2023.

Rebecca Norris

Ombudsman