

The complaint

Mr M complains The Royal Bank of Scotland Plc (“RBS”) withheld his funds after closing his accounts in September 2018. And despite many attempts through visiting an RBS branch, and making phone calls, he wasn’t able to get his funds released until February 2023.

To put things right, Mr M wants compensation for the deprivation of the funds, costs reimbursed for travel, the phone calls and having to buy food and drink when visiting the branch. He also wants compensation for the distress and inconvenience caused.

What happened

Following a review, RBS blocked Mr M’s accounts in July 2018. It later notified Mr M of its decision to close his accounts in September 2018. Unhappy with this Mr M complained. RBS sent Mr M its final response about the account closure in October 2018 and gave him his referral rights to bring this complaint to our service.

In that final response, RBS informed Mr M that it was holding £1,503.61 of his funds, and these were being withheld at the time of his original request for them. But to claim these funds, he should now visit his nearest branch with the required identification documents – suitable documents were listed in the response.

Mr M says he then made numerous trips to the branch and made similar amounts of calls to the relevant RBS department to get his funds released. It appears he then made another complaint about this.

RBS sent another complaint response in November 2019. It still didn’t uphold his complaint about the account closure. But it upheld a complaint point regarding the amount of time Mr M spent in the branch while its staff called another department regarding the release of his funds. RBS said the matter will be addressed with the relevant department, and this would ensure it does better in the future.

RBS also repeated that the outstanding funds in Mr M’s account were unable to be released at the time of the original request. However the funds are now available to him. RBS reiterated what it said in its response of 2018 about what Mr M needs to do to retrieve them.

Mr M says he made numerous more trips to the branch and made calls to RBS but was still unable to get his funds released.

RBS have sent me another complaint response dated January 2022. Mr M appears to have complained again in December 2021 about his account closure, access to his funds and no response to previous complaints.

RBS said its decision to close the accounts remained the same. It also confirmed the funds are still being held are available to Mr M, but it still requires him to submit a funds withdrawal form along with the previously requested identification documentation.

Mr M then referred his complaint about the funds not being released to this service. One of our Investigator's looked into Mr M's complaint. Following our Investigator's involvement Mr M received his funds - after completing a release of funds form and getting his identification documentation counter-signed at branch - in February 2023.

Our Investigator communicated with RBS on what they'd seen provisionally on the complaint. After looking at the complaint again, RBS offered to pay Mr M 8% simple interest from when they blocked the account up until the funds were released. They also offered £300 compensation. Mr M did not accept this. He felt the costs he'd incurred by travelling to RBS' branch, and calling it, had not been considered.

Our Investigator asked Mr M to provide evidence of his travel costs and phone calls. Mr M sent them screenshots of online digital receipts of his train travel. He also sent in screenshots that he says show he was being charged 35p for every minute to RBS' type of number. Following this, our Investigator recommended RBS pay Mr M £540.80 as compensation.

Mr M felt the amount of £540.80 only considered his train travel costs - and the calls and significant distress and inconvenience weren't considered.

Following this, our Investigator sent both parties their view on Mr M's complaint. In summary some of the key findings they made were:

- They hadn't seen any evidence RBS had followed up with Mr M regarding the release of his funds from October 2018. So there was undue delay in releasing the funds by RBS
- RBS' offer to pay 8% simple interest on the funds from July 2018, when the account was blocked was generous. That's because it hadn't mitigated for a reasonable period for its review period
- RBS' offer of compensation of £540.80 was largely for Mr M's train travel costs. Mr M had provided records to support his claims, but some of the days were bank holidays – so these would be discounted from any compensation.

Our Investigator took into account there was a closer branch to where Mr M lived to that which he travelled to. Because of this, they thought RBS' offer was fair as Mr M could've mitigated the costs of travel by going to his local branch

- RBS had said the calls to the numbers Mr M says he was calling it on were free. Our Investigator considered what Mr M said about the costs based on his mobile phone operator's charges, but as they'd not seen evidence of the call charges, they didn't think it was fair for RBS to compensate him for any financial loss here
- The amount of time Mr M says he spent in branch on his visits wasn't unreasonable nor excessive. This would've depended on the time-of-day Mr M visited, and there being other customers requiring assistance – so there's nothing RBS could've done to prevent this. So Mr M's claim for the cost of food and drinks isn't upheld

Mr M did not agree with what our Investigator said. Some of the key points, in summary, that he made are:

- The distress and inconvenience he's suffered, which had a significant impact on his mental health, weren't considered

- He should get £562.90 for his travel expenses – and he's unsure if the £540.80 recommended is for distress and inconvenience too. He also feels the journey he made by car on several occasions hasn't been considered
- Had RBS released his funds in the first instance as it should have, he wouldn't have incurred the costs of the food and drinks he had to pay for
- He could have done something else with the time he wasted at RBS' branches. He should not have had to go into the branch that many times to complete the release form again and again
- The phone calls were chargeable, and he can't provide evidence as he had a 'pay and go' mobile

Our Investigator made a number of points in response, but much of these were repeated from earlier responses. But some of the key points our Investigator made were:

- The recommended award of £540.80 was for travel expenses, and distress and inconvenience
- The calculation of £540.80 wasn't £562.90 as Mr M had claimed, as the travel expenses for bank holidays was discounted from this. RBS confirmed its branches were closed on these days

Mr M added that he ought to get compensation for the distress and inconvenience he suffered especially as this affected his mental health substantively. He also repeated he went to a particular RBS branch as he was strictly told to do so by its staff – and he was told the other branch belonged to a subsidiary of RBS, so he couldn't go there.

As Mr M didn't agree with what our Investigator said, the complaint was passed to me to decide. I then sent my provisional decision to both Mr M and RBS. Here is what I said:

Provisional decision

"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'm planning on deciding to uphold this complaint in part. I'll explain why.

RBS says it no longer has records of any branch visits Mr M may have made and of any phone calls he made as the accounts are closed – and were done so some time ago in 2018. This is unfortunate, especially as RBS were aware Mr M was complaining.

Where evidence is inconclusive or incomplete, I can reach my decision based on the balance of probabilities – that is what I think is most likely to have happened.

Mr M says he has made multiple visits in 2018, 2019, 2020, 2021 and 2022 to get his funds released. Given he made complaints during this period, and as I'm persuaded the funds held mattered significantly to him, I'm persuaded on balance he did make the branch visits and calls he says he did.

So, for reasons that are now unbeknown, given there's no branch or call notes to show why there were delays, I think he has been attempting to get his funds since 2018 when he was told he got retrieve them.

I'd also add here that RBS' 2018 and 2019 complaint responses both say that he could now get his funds. So this gives me some doubt that he most likely did face obstacles in branch - at least between these date points.

RBS released the funds in February 2023 following our Investigator's involvement. Mr M shouldn't need our intervention to facilitate such a release after RBS said it would release the funds. Given I'm persuaded Mr M was endeavouring without success to have his funds released from late 2018, I'm satisfied RBS should pay him 8% simple interest from when it ought to have done this.

This means I think 8% simple interest should be paid from when RBS first told Mr M he can have his funds released. I think there should be a week from the final response dated 19 October 2018 when the interest is applied from. I say that because it would have taken a reasonable time for the form and identity process to be completed, and the release processed.

Mr M says he should get compensation for all the receipts he's sent in for his train travel costs. But I agree that any bank holidays should be discounted from this given it was closed on a national bank holiday.

RBS have said there was a branch closer to Mr M than the one he says he went to. Mr M says he was told he had to strictly go to this one as the others were subsidiary branches. I haven't seen any reason or evidence to show why Mr M would opt to travel further than he might have had to. So I think its most likely he relied on information given to him, and therefore travelled to the slightly further branch. That means I think he should be awarded £540.80 for his train travel costs. I note RBS have agreed to this.

Mr M says he also enlisted the help of friends and family to drive him to the branch on several occasions. It's possible that if this was the case, it was an act of familial helpfulness – normally at no cost. And without compelling evidence, which is highly unlikely given the passage of time, I won't be awarding any compensation for this. I also find it curious that Mr M only told us about the car journey's when there were discrepancies with the dates he said he travelled to the branch.

Mr M has been consistent throughout his various submissions of the impact this matter had on him. He's sent evidence to show what medication he was taking for his deteriorating mental health. But this information doesn't show this medication was prescribed to him – so I can't place too much weight on this. Nor is there any compelling evidence that RBS' actions directly affected his state of mind.

But I do accept the length of time he's been pursuing his funds would've caused him considerable distress, upset and worry – and it caused significant inconvenience given the strength of effort required to sort his release of funds out. So taking into account what he's said, and what I consider as fair redress, I'm planning on awarding a further £500 to address this. As I've said, its most likely Mr M made a high volume of branch visits and calls to get his fund released.

I've also considered any other costs Mr M says he incurred, but I'm acutely aware that ultimately, he would have to purchase food and drink in any case - albeit at a time and venue he'd not have preferred to”

The deadline I set for responses has now passed. RBS has not replied. Mr M has, he's sent in a screenshot of his 'patient online service' which denotes his name and a list of prescribed medication he can order. He's also said he finds the points I made in my provisional decision fair. But he has, in summary, made the following arguments:

- As he was on a 'pay and go' basis with his mobile phone operator, he is unable to get a bill. He understands he can't get reimbursed for his – but finds it strange RBS don't have any recordings
- The matter has caused him extensive headaches, chest pain and lots of stress – which added to his mental health condition
- RBS never communicated with him when the funds were released in February 2023, so he had to check where the funds had come from. This was disrespectful
- RBS should apologise to him for the distress and inconvenience its actions caused. He could've enjoyed the time lost with his family had RBS done what it should have
- He wonders why the 8% simple interest should not be applied from the date the account was blocked till release date

I must now decide this complaint.

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've decided to uphold this complaint for the reasons given in my provisional decision. I will of course set out my responses to Mr M's further points.

Mr M questions why 8% simple interest hasn't been awarded from the date the account was blocked up until settlement. But in my provisional decision I said 8% simple interest should be paid from when RBS first told Mr M, he can have his funds released. And that there should be a week from the final response dated 19 October 2018 when the interest is applied from. I said that because it would have taken RBS a reasonable time for the form and identity process to be completed, and the release processed.

I haven't seen any evidence nor reason why I should now think any differently on this point.

I already considered that Mr M would have made many calls to RBS and my award for the inconvenience this caused takes this into account. Mr M wants his phone costs reimbursed. But unfortunately, he can't provide any evidence of this, and the mobile phone operator's webpage shows the call he was making would've been free. Without any compelling evidence to the contrary I won't be asking RBS to refund the costs Mr M says he incurred.

I also won't be making any further award for RBS' failure to tell Mr M his funds had been released. Our Investigator had communicated to Mr M about the funds release, and given the strong attention he had on this matter, I'm satisfied he would've reasonably known where the money was from.

Mr M has shown the medication was prescribed to him through a patient's online screenshot. But, as I said in my provisional decision, there's not any compelling evidence that RBS' actions directly affected his state of mind more than which I have considered already. So I won't be awarding any further compensation for the distress this matter caused him.

Mr M wants RBS to apologise to him. I've upheld his complaint, so I have found that RBS have got things wrong. It is now up to its discretion to send Mr M a letter of apology.

So for all the reasons above, including what I said in my provisional decision, I uphold this

complaint.

Putting things right

So, to put things right, I provisionally decide that RBS should:

- Pay Mr M 8% simple interest on the sum of £1,503.61 from 26 October 2018 up until it released the funds to him in 2023
- Pay Mr M the sum of £540.80 for his travel costs
- Pay Mr M £500 for the distress and inconvenience he's suffered

My final decision

I've decided to uphold this complaint. The Royal Bank of Scotland Plc should now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 July 2023.

Ketan Nagla
Ombudsman