

## **The complaint**

Mr D is unhappy with the explanations and compensation The Royal Bank of Scotland Plc (RBS) has given in relation to the problems he's experienced with his online banking access and his debit card.

## **What happened**

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Towards the end of 2022 Mr D began experiencing problems getting access to online banking – the one-time passcodes (OTPs) weren't coming through to his mobile phone. While trying to resolve this problem with the bank, a suspected fraudulent transaction was carried out using his debit card and it wasn't until mid-March that he obtained a replacement card which involved him having to come to the UK from his permanent home in the Far East. Mr D is unhappy with the way his enquiries and complaints about these matters were handled by RBS.
- RBS didn't agree that all of the problems Mr D had complained about were avoidable. But it accepted that some mistakes were made so it paid him £50 compensation and invited him to evidence the costs he'd incurred coming to the UK.
- Our investigator recommended that the compensation be increased to £200 which RBS accepted. But Mr D did not, so the complaint has come to me.

## **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, and while I appreciate this will come as a disappointment to Mr D, I've reached the same outcome as the investigator, for much the same reasons.

### Operating and servicing a UK account

The terms and conditions of Mr D's account say this type of account is only available to UK residents. But the bank has confirmed it's held an overseas correspondence address for Mr D for many years and there's been no suggestion that RBS intends on closing the account at this point in time.

However, RBS's servicing processes aren't really set up to accommodate customers who live overseas. So Mr D incurred some costs, and delays, corresponding with RBS in excess of what he would have experienced if he'd been living in the UK. For example, the bank will only send certain types of correspondence by post – which can take some time to arrive at international destinations – and the bank's employees cannot call international phone numbers. And I accept the bank's explanation that it considers it too high risk to send new debit cards to the country in which Mr D lives.

I also think Mr D could have avoided incurring costs like the two courier fees he was charged when he sent letters to RBS's Chairman. I say this because it's my understanding that he could have referred his concerns to RBS using their online complaint form.

At the time these events unfolded, I can't fairly say the bank ought to have made alternative arrangements in how it contacted Mr D. But I agree with Mr D that 115 minutes on hold, waiting to connect to the bank is an unacceptable wait time. I'm pleased to see that RBS accepted this too and this is part of the reason it awarded compensation. I have, similarly, taken this into account when deciding how much compensation to award Mr D.

#### Mr D's online banking access

Mr D says he tried to log onto his online banking on 30 November 2022 in order to make a £7,000 transfer from his RBS account to one of the accounts he holds overseas. But the one-time passcode (OTP) didn't arrive.

With this in mind, the bank's records show that Mr D tried to access his account on 30 November 2022 and OTPs were requested and generated several times that day. Further OTP requests were made and responded to on 5, 13 and 23 December 2022 and 7 January 2023. There was then no further online banking activity until 16 July 2023. Mr D contacted this service the following day to confirm this was the first time he'd tried to access his account since the earlier problems and the OTPs had arrived.

Mr D says he contacted his mobile phone network provider who checked its records and said no OTPs had been received. But I'm satisfied the bank did generate them and I haven't seen anything which sufficiently persuades me that RBS – or the third-party vendor who plays a role in sending of the OTPs – was at fault in some way.

It's unfortunate that Mr D didn't find helpful all of the bank's suggestions about how to fix the OTP problem. And, at times, it may have repeated options that he'd already explained weren't viable – his handheld device had run out of battery, he wasn't registered for mobile banking and he experienced difficulties getting through on telephone banking.

But I think RBS tried its best to find out where the fault lay and, on 12 December, it provided Mr D with contact details which he could use to make the required payment by CHAPS. Mr D's statements show he used this method to send a payment of approximately £9,000 on 21 December 2023. He also made a couple of payments while he was in the UK in March 2023, presumably with help from one of the bank's branches. And, fortunately, it doesn't seem that he had any further need to access the money in the account again until July 2023 when he successfully logged on.

There has also been a suggestion that the bank refunded the CHAPS fee as a gesture of goodwill, given the problems Mr D was experiencing. CHAPS fees vary from bank to bank, but are usually £15 to £30. I can see the payment sent by CHAPS was £9,030 so it's possible Mr D was charged £30. I can't see a corresponding £30 refund. But I can see a £100 compensation payment going into his account five days earlier, on 16 December 2022, and it's possible that payment relates to the matters this complaint concerns.

#### Mr D's debit card

It's not entirely clear to me why Mr D's debit card was cancelled and a replacement needed because the bank's records and Mr D's recollections on this point differ.

The bank's records show a debit card payment was attempted on 12 December 2022 which was similar to fraud trends so was blocked. And Mr D called on 24 December 2022 to confirm the recent transaction was fraudulent. This meant his debit card was marked as stolen, cancelled and a replacement card and PIN ordered.

However, Mr D says he tried to make a debit card payment in mid-December 2022 which was blocked. He admits he spoke to the bank about this but never said that a fraudulent transaction had been attempted.

I would usually only expect a debit card to be cancelled if the consumer had confirmed that an unauthorised transaction had taken place, meaning that the card had been compromised. And that is what the bank's records suggest, but I don't have access to the phone call which took place in relation to these matters.

In any event, what's not in dispute is that a catalogue of errors by the bank then ensued. I won't rehearse the events to the extent that Mr D has, but I think it's important to point out that this includes

- The bank told Mr D it had texted and/or tried to call him about the fraudulent transactions but subsequently admitted this wouldn't have happened because texts and calls can't be made to international numbers.
- The bank told Mr D it would make an exception to its usual processes and would send his new debit card to his overseas address.
- The bank told Mr D it couldn't send his debit card to a relative unless he changed the correspondence address on his account. But it then sent the card to his sister.
- The bank cancelled the debit card it sent to Mr D's sister and can't explain why this happened.
- The bank sent another replacement card to the wrong branch. This was then forwarded to a more convenient branch for collection but it didn't arrive when the bank said it would so Mr D had unnecessarily cut short a visit with his relatives.
- The bank sent the new PIN notification to Mr D's home address, rather than to his sister's address or the branch. He only received the notification when he got back home after his visit to the UK. So he wouldn't have been able to use the debit card even if it had been available at the start of his UK trip.

Mr D has also expressed concern that the bank didn't notify him when the £50 compensation was paid into his account. But I note the 16 January 2023 letter said this would be paid into his account and the payment was made that same day. I appreciate Mr D couldn't access his account at that time but I think the bank made clear the money would be paid and it did so. I don't think it ought to have sent an additional notification about this.

I have taken everything that happened into account when deciding how much compensation to award Mr D.

#### Costs incurred coming to, and while in, the UK

I've asked Mr D to evidence the costs he incurred in March 2023 coming to the UK and while being without his debit card (which meant he had to use an overseas credit card instead). But he's not provided this, at least in part, because he no longer has the necessary documents given the time that's passed.

On that note I would say that RBS invited him to share evidence this evidence when it wrote to him on 27 March 2023. It seems out of character for Mr D not to have replied to this correspondence so I suspect he didn't receive it. But I've no reason to suspect it wasn't sent.

Mr D visited the UK for approximately three weeks in March 2023, which was more than three months after the problems with his PIN and debit card began. He still has relatives in the UK, included one who was seriously unwell when he visited. And he's suggested that he comes back to the UK from time to time. In the circumstances I'm not sufficiently persuaded that Mr D's sole reason for coming back to the UK was in order to resolve these banking issues. So I can't fairly instruct the bank to cover the costs of his flights and, in any event, he haven't provided evidence of the costs he incurred.

I accept the possibility that Mr D incurred extra, unnecessary costs having to use his credit card while awaiting receipt of his new debit card. But Mr D has said it's not worth his time proving those costs so, again, I can't fairly instruct RBS to pay him anything in this respect.

#### Fair compensation

As set out above, the bank has already paid £150 compensation. For the reason given above, and in all the circumstances of this complaint, I consider that it should pay a further £150 given the unnecessary distress and inconvenience Mr D has been caused by the bank's mistakes.

#### **My final decision**

My final decision is that The Royal Bank of Scotland Plc must pay a further £150 compensation to Mr D. It must do so within 28 days of the date on which we tell it that Mr D accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 February 2024.

Ruth Hersey  
**Ombudsman**