

## **The complaint**

Mr and Mrs P complain that The Royal Bank of Scotland Plc (RBS) has made a number of errors in dealing with some direct debits they wanted transferred from one account to another, and that the errors keep reoccurring. They also complain about the poor service they've received.

## **What happened**

In October 2022 Mr P visited his branch of RBS to organise the transfer of four direct debits from his sole account to a joint account. Due to RBS's error, the action was not carried out. Mr and Mrs P also said that RBS had cancelled four of their direct debits. RBS said it wasn't responsible for cancelling the direct debits, but it did pay £250 for the error in failing to transfer over the direct debits and for poor customer service.

Subsequently, Mrs P advised that two of the direct debits which were newly set up were still going out from the sole account. She was in contact with RBS attempting to resolve the matter but the adviser she spoke to couldn't get any response from the customer care team. She told him she continued to have problems over the direct debits. In a letter of 3 February 2023, it advised that the direct debits had been moved to the correct account but because of the continuing problems and poor service it agreed to pay a further £600 compensation.

Mrs P advised RBS that the problem was still not resolved.. As a result Mr and Mrs P started to get reminders from, amongst others, the utility companies, TV licence, mortgage provider, life insurance provider and TV subscription provider. The latter refused to accept future payments by direct debit because of the problems. Mrs P also had problems in trying to get through to RSB and didn't get promised call-backs. Mr and Mrs P became concerned that their credit record would be affected. They had to make manual payments by transfer or debit card.

On 23 March 2023 RBS wrote to advise that it would continue to investigate the problems further. But in the meantime it agreed to provide a further £3,000 compensation and to write 15 letters to the various companies affected by the direct debiting errors. Mr and Mrs P say that they have not received those letters.

On referral to The Financial Ombudsman Service, RBS advised that it would work with us to resolve the matter. But in some cases it could not simply reinstate the direct debits and new mandates would have to be provided. Our Investigator said that RBS should help ensure that all direct debits are reinstated, as well as ensure the life insurance was debited from the correct account. And that it should liaise with Mrs P concerning the credit data. As problems had continued after 23 March, he proposed that RBS pay a further £500, which I understand it has since paid.

Mrs P indicated that they had still not received the promised letters and that the life assurance continued to be debited from the wrong account, making the account go overdrawn. She has recently advised us that RBS has not been in touch with them following the Investigator's view and that life insurance payments and TV licence payments were

going missing and that she had to continue to make manual payments for a TV subscription. She wanted further compensation for the continuing stress and inconvenience and for RBS to make contact with her.

The matter has been passed to me for further consideration.

### **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 is undoubtedly the case that RBS has made what it describes as a catalogue of errors, over the payment of direct debits since October 2022 and provided very poor customer service when Mrs P tried to contact RBS to talk about it. The adviser she spoke to eventually said he was embarrassed by the failure of his colleagues on the customer care team. I won't go into each individual error here but they were numerous.

The matter has also caused ongoing problems for Mr and Mrs P and it seems that every month the correct direct debit payments were not being met or going from the wrong account. I don't doubt this caused serious distress and inconvenience and that it is likely it may have affected the various companies involved in their view of Mr and Mrs P as customers. Although I've not seen any evidence that Mr and Mrs P's credit score has been affected.

Mr and Mrs P have by my calculations been paid a total of £4,350 compensation. I think that was a generous award and in my view adequately compensated them for the severe and ongoing distress and inconvenience caused to them since October 2022.

The problem in this case is that clearly Mr and Mrs P would like the problems over their direct debits to be resolved by this decision. I have to bear in mind that any decision I make would have to be enforceable, so merely asking RBS to assist them or to liaise with various companies would be no help if it doesn't produce the right result.

If a direct debit payment is going from the wrong account it may be that the provider of the direct debit mandate has been using an old mandate. And in some cases RBS cannot reinstate the direct debit because new mandates need to be provided. I will ask that RBS investigate both accounts thoroughly, liaise with Mr and Mrs P, and ensure that the direct debits go from the accounts they want them to. In cases where a new direct debit mandate is needed Mr and Mrs P will have to go to the companies involved to get those provided. And RBS should ensure similarly that they go from the right account.

As regards possible adverse credit data, obviously RBS can ensure that there is no such adverse data on any accounts it holds. But if there is adverse data on any other accounts whilst I can require it to go to those companies to request that such data be removed, I can't force those companies to comply. And if any adverse data can't be removed Mr and Mrs P can ask RBS to place a note on their respective credit files to explain any such adverse data. Though hopefully that won't be necessary.

I also observe that the letters that were supposed to be sent to them after RBS's letter of 23 March 2023 have not so far been received. RSA should send, or resend those letters.

### **Putting things right**

RBS should:

- Investigate thoroughly both the sole account in Mr P's name and the joint account in Mr and Mrs P's name, and liaise with them to ensure that their direct debits come out of the right account.
- If new direct debit mandates are required, advise Mr and Mrs P of the same and as necessary liaise with the companies involved and ensure that those direct debits are set up on the right account.
- Send the promised 15 letters addressed to the companies involved, advising that any problems over the direct debits were caused by RBS's error.
- Ensure that no adverse credit data has appeared on any accounts held with RBS and liaise with any other companies at Mr and Mrs P's request to request that any adverse data entered on Mr and/or Mrs P's credit record as a result of the direct debiting errors, be removed. Mr and Mrs P should understand that I don't have any power to force those various companies to comply, but RBS should if necessary and at their request place a note on their respective credit files to explain any adverse data.

### **My final decision**

I uphold the complaint and require RBS Royal Bank of Scotland PLC to provide the remedies set out under "Putting things right above."

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 21 November 2023.

Ray Lawley  
**Ombudsman**