

The complaint

Ms R complains about a misrepresentation from The Royal Bank of Scotland Plc when she opened a fixed rate savings account which has stopped her accessing her interest.

What happened

On 27 June 2023, Ms R went on-line to open a fixed rate savings account with RBS. As she wanted to receive her interest monthly, she nominated her current account with another bank.

Ms R didn't receive her interest into the account she nominated, and she says an RBS advisor said it would be paid if her nominated account was with RBS. So, Ms R opened a current account with RBS on 27 July 2023.

However, despite opening this account Ms R still didn't receive her interest. RBS explained it was because the account had a different sort code to her fixed rate savings account.

Ms R complained to RBS as she was without a nominated account and couldn't gain access to her monthly interest as intended.

RBS didn't uphold her complaint and said:

- The nominated account for the interest to be paid to is by default the savings account itself.
- Customers can have the interest paid into another account they may hold; however, the restriction is that the nominated account needs to hold the same sort code as the Fixed Term Savings account.
- This is a restriction built into the system and there is currently no workaround or alternative for this. They are unable to change the sort codes on the existing accounts to make this possible.

Ms R complained to our service. She believes RBS are denying her an account with the same sort code and they've misrepresented the account.

However, our investigator didn't uphold Ms R's complaint. He explained:

- That the RBS account terms refer to an information sheet and this states that the interest can only be paid into an instant access account held with RBS in the same name and branch (Sort code).
- At the time of opening the fixed savings account Ms R didn't have an account to nominate

Ms R points out she opened an account a month later and thinks it's unfair that RBS can't allocate the same sort code to allow her interest to be paid in.

As Ms R remains dissatisfied, this case has now been referred to me to look at.

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'm not upholding this complaint and I'll explain why.

RBS information sheet says:

'You can choose to have interest paid into a Nominated Account. This must be a Royal Bank of Scotland personal current or savings account with instant access (other than a cash ISA) held in your name at the same branch as your Fixed Term Savings Account'.

However, Ms R nominated an account with another bank and didn't open an account with RBS until one month later. So, at the point of opening the account, Ms R didn't have an RBS account to nominate, and I'm satisfied RBS followed their terms and conditions and didn't make an error.

Also, RBS say that if Ms R opened both the fixed savings and current account *'at the same time they would have most likely been given the same sort code allowing her to have the interest paid from her fixed savings account into her current account to be used for general living'*. But as she opened the current account a month later their systems are unable to set her up with an account in the same name and branch (Sort code).

I recognise that this isn't helpful for Ms R, and she feels it's unfair, as it means she can't have her interest payments paid into her current account, despite specifically opening it for that purpose, due to a combination of RBS' terms and conditions and system.

However, as explained by our investigator, there are limitations to how we can help here. I say this because we aren't the regulator for financial services, and I can't tell RBS to make an alteration to their system to allow an exception or tell them how to improve their service.

Although I'm sympathetic to Ms R's situation and understand her frustration, I can't see RBS have made an error or misrepresentation. As to receive the interest monthly Ms R needed to have an RBS account when she had the opportunity to nominate an account.

As RBS haven't made an error here, I also can't instruct them to close Ms R's fixed rate savings account and open another, together with a current account in the same branch (Sort code).

I appreciate Ms R will be disappointed with my decision. But having considered all the information on file, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 9 March 2024.

Paul Douglas
Ombudsman