

The complaint

Mrs S complains that she lost interest on an investment because Royal Bank of Scotland Plc (RBS) didn't reinstate remote access to her account leading to a delay in transferring funds.

Mrs S is represented in this complaint by her son, Mr S. But, for the sake of simplicity, all representations will be referred to as having been made by Mrs S.

What happened

Mrs S wished to transfer funds from her RBS current account to a savings account with a third-party business. But, during the online transaction, when confirmation of Mrs S's mobile telephone number was needed, the answer "Not My Number" was selected. This immediately invalidated the online login procedure and required a new authentication to be sent to Mrs S by post. Regrettably, a repetitive loop then began because a new code was ordered before the previous one had been received, and that subsequent order invalidated the one that was in the mail. So, when it arrived, it didn't work. When eventually a code did arrive that worked, the logon wasn't permitted because RBS's system detected suspicious software on Mrs S's device. It wasn't until Mr S, on Mrs S's behalf, went to a branch that the transaction could be completed. Mrs S wants the lost interest on the transfer to the new savings account paid to her and therefore raised a complaint.

RBS responded to Mrs S's complaint in a final answer dated 29 August 2023 which repeated its response to the previous final answer on 26 June 2023 and gave its answer to the additional points raised on 31 July 2023. RBS accepted there had been failings in respect of four of the seven issues Mrs S had raised and paid a total of £200 compensation. But it didn't uphold three points namely, the original invalidation of Mrs S's mobile telephone number, being unable to link a third-party to Mrs S's account using on-line banking and the loss of an investment opportunity. Mrs S didn't accept what RBS said and referred her complaint to this service.

One of our investigators reviewed Mrs S's complaint and concluded that RBS didn't need to do anymore than it'd already done. They said, in brief, that although the continuing circle of authentication codes being ordered, received, but not working was extremely frustrating for Mrs S, RBS had done nothing wrong in the way it'd ordered and sent out the codes. And it said that the investment opportunity could only be reimbursed if RBS had been found to be at fault – which it wasn't. Mrs S disagreed with our opinion and asked that her complaint was looked at again by an ombudsman. So, it's been passed to me to decide.

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.

Although I realise this will come as a disappointment to Mrs S, I don't intend to uphold this complaint. That's not to say that I don't think RBS has dealt with some issues poorly – because it has. But it has admitted to these errors and paid compensation. So, I think what RBS has done to deal with this complaint is sufficient and I don't require it to do anymore.

The first issue covered in the final answer dated 26 June 2023 relates to the on-line system not being able to be completed because "Not My Number" had been pressed meaning a postal activation code was triggered. Mr S has confirmed both to RBS and to this service that this was his error and therefore I don't find that I need to make any determination on this. So now, I'll look at the issues which RBS has admitted being at fault in.

RBS accepts that Mr S was given incorrect information on the telephone when he was told despite having a Power of Attorney for Mrs S, it was her that needed to call the bank to resolve the issue. It paid £50 compensation for this. RBS again accepts that it took too long for it to deal with Mrs S's original issue and awarded £50 in compensation. Then, RBS accepted it shouldn't have sent a card-reader to Mrs S (when it'd been told explicitly not to) and hadn't responded to Mrs S's further complaint when it was lodged within the statutory timeframe. For these two errors, it awarded another £100 compensation taking the total award to £200. Having looked at the errors and the way RBS dealt with them, I consider that the award of £200 already paid is sufficient and therefore I won't be awarding any further compensation.

This leaves two outstanding issues – not being able to link a third-party to Mrs S's account via Open Banking and the re-imbursement of lost investment income.

Mr S has accepted that it was his error which triggered the cycle of activation codes being sent but then re-ordered and de-activated. I think it's reasonable that if a further code is requested, the preceding one should be cancelled to prevent too many codes being operational. And so I can't say that RBS is at fault for the length of time it took for a code to be received which worked and allowed Mrs S access to her account online. The only other option to allow use of the online service was a card reader which had already been declined by Mr S due to his mother's age and health conditions. So, it was only the postal notification which was available to resolve the issue. And RBS produced new codes when it was asked to do so. I can see that when an activation code did work, there was a security block because of suspicious software on the device being used by Mrs S. I can understand and appreciate how frustrating this would be, but again I have to consider whether what RBS did was reasonable in all the circumstances. And I have to say that if RBS's systems detected potentially harmful software on Mrs S's device, then it would've been wrong for it not to have blocked access and asked Mrs S to take remedial action. I therefore don't think RBS did anything wrong in making sure the device being used by Mrs S was secure and didn't lay her, and RBS, open to the risk of fraud.

Finally, I want to address the loss of investment income. I understand that this transaction, which should've been very simple, turned out to be anything but. And that led to a delay in money being transferred to the new savings account of around two months. But if I'm to say that RBS is responsible for making good that loss of interest, I have to be persuaded that an action or actions of RBS caused the delay. And I'm not persuaded of that for the reasons I've given above.

I've also noted that the transfer was eventually made in branch by Mr S, on his mother's behalf. The account holder, or their representative, has a duty to mitigate any potential losses and so, I don't think it unreasonable to say that Mr S should've been aware that he could make the transfer in branch and so could've made the transfer earlier if he'd wished to.

For all the reasons I've given, I consider that RBS has adequately compensated Mrs S for the errors it made and that it need not do anything further in respect of this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 October 2024.

Stephen Farmer
Ombudsman