

The complaint

Mr M complains about The Royal Bank of Scotland Plc stopping him from making an online payment which caused a financial loss.

What happened

Mr M wanted to pay £85,000 into a 6.2% one-year fixed rate bond with Business A. This bond had a deadline of 6 October 2023 and Mr M wanted to make an £85,000 payment from his bank account with RBS. But Mr M came across the following issues which he discussed with an RBS representative on 4 October 2023:

- Business A wouldn't accept a cheque
- He couldn't make a payment from his RBS account because:
 - He hadn't received a renewal debit card and, as his current card was out of date, a new card wouldn't arrive in time.
 - He only had an online payment limit of £5,000.

Mr M was dissatisfied because it was his money he wanted to withdraw, he wanted to make the payment quickly to Bank B (in order to pay Business A from another account), couldn't understand the £5,000 limit and didn't want to wait until the following day. The representative gave him information on ways to increase his limit via a banking APP, but Mr M didn't want an APP on his phone and asked for help to pay £85,000 to Bank A. Mr M was put through to a manager and was given options to:

- a) Increase his limit to £20,000 via the APP
- b) Make a one-off payment of £75,000 via the APP
- c) Transfer the funds to Bank A by Clearing House Automated Payment System (CHAPS) but this involved visiting a branch

Mr M complained to RBS. He didn't have time to visit a branch and wanted to do the payment online. He issued a cheque to Bank A. But due to the cheque clearance time he missed the bond deadline. Mr M was able to find another high interest investment but the best rate he could find was 5.75%. He feels RBS prevented him moving his money and caused him to lose 0.45% interest on his £85,000.

RBS didn't uphold Mr M's complaint. They said they didn't make an error and explained their withdrawal limits.

Mr M was dissatisfied with this response and brought his complaint to our service, but our investigator couldn't see that RBS had done anything wrong.

As Mr M remains dissatisfied, his complaint has 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 will explain how I've come to my decision.

I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points Mr M has made, even if I don't specifically address them all.

Although it wouldn't have enabled Mr M to have withdrawn the £85,000 he required, I first looked at whether RBS had made an error in failing to send Mr M a card renewal.

From reviewing the file, I'm satisfied that RBS dispatched a card renewal to Mr M in 2022. It is unfortunate Mr M didn't receive this, but as RBS sent it and weren't aware that it hadn't been received, I can't see that they made an error here.

I then considered if it was fair and reasonable for RBS to:

- Prevent an online payment for £85,000 before 6 October 2023.
- Offer a CHAPS payment, which involved visiting a branch, as an alternative option.

I'm satisfied that it was fair and reasonable for RBS not to enable Mr M to make the online payment. This is because:

- The terms and conditions of Mr M's account say:

'2.2 Delaying or refusing to act on your instructions'.

'We'll always follow your instructions (including to pay in cash or cheques, or to withdraw cash), unless: a restriction which applies to your account prevents us from following your instruction (for example, the instruction exceeds the daily or annual payment limits, or any deposit or withdrawal limits set on your account)'.

- RBS's online payment limit can only be increased to £20,000 per day for Mr M's account.

I recognise that Mr M says he wasn't notified of the above terms and conditions and his expectations are to do online banking. I also appreciate it wasn't easy or convenient for him to visit a branch. However, before offering the CHAPS option, RBS representatives explained ways he could make payments of £20,000 per day or a one off payment of £75,000 which could've resolved the issue.

So, it isn't that RBS were refusing to help Mr M or weren't being helpful here. Having followed their procedures, which are based on their terms and conditions, they presented other online options to Mr M. I also appreciate these were either not viable or not to his liking. But it was only after offering alternatives to support online payments that CHAPS was offered and as he didn't want to use an APP I think this was fair and reasonable.

I recognise Mr M found it inconvenient to visit a branch, and this wasn't his preference, but this was another option communicated by RBS that would've enabled Mr M to transfer his funds.

I should add that banks, who are overseen by a financial services regulator, have rules and regulations to follow and a responsibility to have processes and procedures which protect their customers from fraud and scams. So, I don't think it unreasonable for RBS to make risk based decisions on payment options and limits.

So, having considered the above and all the information on file, whilst I recognise Mr M's annoyance and frustration here, I can't see that RBS have made any errors or treated Mr M unfairly. So, 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 Mr M to accept or reject my decision before 30 March 2024.

Paul Douglas
Ombudsman