

The complaint

Mrs T and Mr T complain The Royal Bank of Scotland plc trading as Virgin One account (RBS) failed to provide sufficient notice before closing their bank account.

What happened

Mr T says when he went online in August 2023 he discovered his joint bank account with RBS had been closed and his balance had been placed into a suspense account. Mr T says although he had received a letter in January 2023 informing him the account would be closed in August 2023, he wasn't to worry as RBS would begin the account closure process from August 2023. Mr T says he received a list of regular payments in May 2023 but heard nothing further from RBS and it simply closed the bank account without any reminder being provided.

Mr T says he had assumed RBS would arrange a new bank account for him before closing the Virgin One account, as the letter they received in January 2023 stated you may be able to open a new bank account with us. Mr T says he believed RBS wouldn't start the account closure until he had provided details of his new bank account and not leave him without any banking facilities.

Mr T says despite what RBS have said, he never received any other forms of communication from them to remind him the bank account would be closed, and its actions have caused him a great deal of worry and stress. Mr T says although RBS have refunded the bank charges he incurred when closing the account and paid him £200 for prematurely closing the account – this doesn't go far enough.

RBS says it issued a letter to Mrs T and Mr T in January 2023 which explained it would close the Virgin One account in August 2023. RBS says it also wrote to Mrs T and Mr T in May 2023 and provided a list of regular payments made from the account. RBS says it also tried to contact Mr T on his mobile phone and sent text messages prior to the account closure. RBS says although no specific account closure date in August 2023 was detailed in the letter sent in January 2023, it accepts it prematurely closed the account in early August 2023, so paid Mrs T and Mr T £200 by way of apology and refunded bank unpaid charges of £30.

RBS says it has followed the correct process and gave sufficient notice of the account closure.

Mrs T and Mr T weren't happy with RBS's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says Mrs T and Mr T had received a letter from Virgin in January 2023 explaining as their mortgage had been repaid in line with the account terms and conditions, it would be closing the Virgin One account in August 2023 which he felt was sufficient notice.

The investigator says the Virgin One account wasn't compatible with the switch service and any credit balance would need to be returned to Mrs T and Mr T and asked them to provide new account details. The investigator was satisfied RBS hadn't implied the existing account

would seamlessly transfer to another account with no interruption to their banking arrangements. The investigator says a letter was also sent in May 2023 as a reminder of the account closure and this was sufficient.

The investigator felt the £200 RBS had paid by way of compensation here was fair and in line with what this service would recommend.

The investigator felt that given around 180 days' notice had been given by RBS to close the bank account, it had acted fairly. A senior investigator also reviewed the case and says he couldn't conclude RBS had done anything wrong regarding the closure of the account and the compensation it had paid was sufficient and he wouldn't be asking anymore of RBS here.

Mrs T and Mr T didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Mrs T and Mr T to discover their bank account with RBS had been closed, meaning they had to find alternative banking arrangements. When looking at this complaint I will consider if RBS acted unfairly when it closed Mrs T's and Mr T's bank account when it did.

Mrs T and Mr T and RBS have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything said – I have. But it's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

Mrs T's and Mr T's complaint centres around the fact RBS failed to provide them with sufficient notice before closing their bank account, causing them stress, worry and inconvenience. Although Mr T says they did receive a letter from RBS in January 2023 notifying them they would close the account in August 2023, no further reminders were sent other than a list of regular payments in May 2023. Mr T feels RBS should have sent a reminder before closing the joint bank account and says other family members did receive text reminders and despite what RBS says that didn't happen for them.

While I understand the points Mr T has made and I understand he feels strongly about this matter, I'm not fully persuaded by his argument. I say this because it's clear that RBS did write to Mrs T and Mr T in January 2023 informing them given their mortgage had been repaid it would close the joint bank account in August 2023, and in that letter I can see it made clear what actions were required of them. This is part of the terms and conditions of the Virgin One account that no one is disputing, but it's also fair to say under the terms and conditions of that account, RBS needed only to provide 60 days' notice – but here it gave around 180 days' notice – so I can't say that's unreasonable.

Additionally, Mr T says he received a letter in May 2023 enclosing the details of regular payments from his joint bank account but nothing further from RBS. While I understand this

point, what I would say is Mrs T and Mr T also have a responsibility here to manage their banking arrangements given they had been told of its pending closure.

I can't see even when the letter was received in May 2023, that this prompted Mrs T and Mr T to either contact RBS or begin the process to arrange the opening of a new bank account as they were told to do previously, and it's not clear why as in that letter dated May 2023 it goes on to say *"if you would like any further information you are welcome to call us on "*.

So, while Mrs T and Mr T may not agree RBS had no obligation to send further reminders to them, although from the back-office records provided by RBS to this service it indicates it attempted to call Mr T on the mobile number held on its records on 24 May 2023 and left a message for him to contact them. Mr T says he has no record of this or any text messages that RBS says he should have received. While that may be so, it doesn't detract from the fact RBS did carry out its requirements by informing Mrs T and Mr T of the impending closure of their bank account, so I am satisfied it has acted reasonably here.

It's also worth saying from the information I have seen in the letter dated January 2023, RBS only stated Mrs T and Mr T may be able to open a bank account with them and not that it would be organising that for them, and it's reasonable to say I would expect Mrs T and Mr T to have contacted RBS about this - if that's what they required.

Additionally, RBS having closed the joint bank account in early August 2023 recognised this was perhaps a little premature and have paid Mrs T and Mr T £200 by way of apology and I'm satisfied that is sufficient here.

While Mrs T and Mr T will be disappointed with my decision, I won't be asking anymore of RBS.

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 T and Mr T to accept or reject my decision before 6 May 2024.

Barry White
Ombudsman