

## The complaint

H, a limited company, complains that The Royal Bank of Scotland Plc wrongly contacted a third party about its account and didn't act with reasonable care.

## What happened

H says that in October 2023 one of its director/owners ceased their involvement with the company. H told RBS this and provided up to date contact details. But the former director received a letter about the account in November 2023. And in December 2023 was contacted to confirm large payments from the account. The current director of H says that RBS has breached confidentiality and caused her significant distress. RBS didn't act quickly to resolve this and didn't give an assurance it wouldn't happen again. There was the potential for loss and reputational damage.

RBS said that it accepted that there had been a system issue which meant that the former director hadn't been removed as a contact point. This hadn't been visible to staff dealing with H at the time, but this should have been escalated. It apologised for the time that the director had spent on the phone about this. RBS said that it wasn't able to determine whether the letter about the account had been sent before or after H asked that the former director be removed from the account and so it upheld this complaint point too. RBS said that payments that had been held for security checks on 1 and 4 December 2023 were released on those days after the current director had confirmed them as genuine. RBS paid H £100 in compensation for the error.

Our investigator said that after the complaint was referred to this service RBS had offered to pay H a further £150 in compensation. He said that he thought that this was reasonable. He said that it was a matter for RBS to decide what checks were needed on payments from the account. Here the two payments involved of over £48,000 on 1 December 2023 and £30,000 on 4 December 2023 were still sent on those days. But the former director had been contacted by text and call about these in error. While H had emphasised the potential loss due a security breach there was no actual financial loss here. H had explained that a card had been sent to the wrong address, but this had been blocked and reissued. The complainant here was H, and which couldn't suffer distress. And so, we couldn't take into account the personal distress of the current director and who spent time dealing with this.

H didn't agree and wanted the complaint to be reviewed by an ombudsman. H pointed out that at one point the investigator had stated that total compensation offered was £300, having wrongly used a figure of £150 for the initial compensation paid by RBS. And H wanted this higher amount to be paid. H emphasised that the account payments here were significant and were to its investors. It found that it had an account payment limit of £50,000 a day and couldn't send further payments over the weekend of 2 and 3 December 2023. H said it didn't have contact from RBS about the issue for a week and no response to the complaint until 25 January 2024. During this time, it wasn't clear whether the account was at risk and H still had no assurance that the issue was resolved. H emphasised the amount of money on the account and what could have happened.

## **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.

I've looked at what H said in its complaint form to this service. And I note that the current director explained that on 20 October 2023 she received notification of unauthorised attempts at transactions on her business card. That was blocked and a new one issued. On 27 October 2023 H gave RBS instructions to remove the former director from the account and mandate and change the business address. I've seen a copy of a letter dated 'November 2023' sent to that former director. And H says that the new card went to the old address and had to be blocked.

H explained that it received significant funds on 30 November 2023 which it intended to use to repay investor loans. But that the payment on 1 December 2023 was blocked and the former director initially contacted about this. The payment wasn't confirmed until that afternoon by the current director. And it said this meant it couldn't send another payment during what it considered to be RBS business hours until 4 December 2023 given the 24-hour limit on the total payment amounts. The former director was again contacted that day about a payment despite H having already raised this. And the current director was unhappy at the speed with which this was then dealt with by RBS.

### *My assessment*

The current director has explained her distress and the time she spent on this matter. And her dissatisfaction at the time to deal with this. As our investigator has said this is a complaint from H, a separate legal entity. And a company can't suffer distress. It also relates to it seems company, not personal information, made available to a former director.

I appreciate what H says about the potential for loss here. But also, that it says in its complaint form that there was a good relationship with the former director. And it seems that one payment was due to be legitimately made to that former director as a loan repayment. There was no actual financial loss. And H says that this 'may' have affected its business relationships but hasn't evidenced that it has.

Having said that this was a serious error especially as RBS says it wasn't visible to front line staff. They could only see correct details for H and couldn't explain why the former director had been contacted. I take into account what H says about the issue with payment attempts to its card in October 2023, the size of the payments here and that RBS reasonably needed to ensure payments were genuine and put in place checks. And that H was able to make the payments on the same day. It is a matter for RBS to set any daily total payment limits too and I'm not clear H couldn't make any payments on 2 and 3 December 2023 but understand its reasons for not doing so. RBS has told H that the issue is now resolved.

I note what H says it had been told about compensation and what it now wants. I'm looking at things afresh and I've taken into account our published guidelines and the specific impact for H here. Having done so I'm afraid I consider that the total offer of £250 from RBS is now fair, and I won't be requiring it to do more than this. If H doesn't accept my decision it is free to pursue this matter in court subject to any relevant timescales.

### **My final decision**

My decision is that I uphold this complaint in the sense that I require The Royal Bank of Scotland Plc to pay H a total of £250 as it has now offered to (and which means a further payment of £150).

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 12 July 2024.

Michael Crewe  
**Ombudsman**