

The complaint

Ms P has complained that an account switch has not been processed by The Royal Bank of Scotland Plc trading as The One Account ("RBS").

What happened

Ms P attempted to complete a partial account switch, with the aim of moving over Direct Debits from her RBS account to an account with another provider. However, the switch was not successful and she says that RBS blames the other financial business, whereas the other financial business blames RBS for the switch not proceeding.

Unhappy with how RBS handled the switching process, Ms P complained to RBS. RBS issued its final response letter on 10 March 2023 and it said that it first received a partial switch request on 1 February 2023 and it responded saying it accepted the switch. RBS says it received another switch request on 17 February 2023 and sent the other provider its acceptance of the switching request. RBS says it received a third switching request and responded to the other provider saying:

*"Hello,
This is the 3rd time we have accepted this request and it keep failing for this customer.
Please can you have a look into why this keeps failing - all failed refs:
****R3X4
****R4MY
****R78D"*

As it was satisfied it had followed the correct process, RBS didn't uphold the complaint. Unhappy with RBS' response to the complaint, Ms P referred her complaint to this service.

One of our investigators assessed the complaint and they initially concluded that RBS had not done anything wrong. They concluded that the reason why Ms P's current account switching request had not been completed was due to the other financial business she wanted to switch to blocking the switch. However, after receiving further information from the other provider, the investigator was unable to conclude which business was at fault, and so proceeded to split the blame and recommended that RBS pay Ms P £150.

As the investigator did not hear back from RBS, the investigator arranged for the complaint to be referred to an ombudsman. After the investigator notified both sides of this, RBS responded and agreed to pay Ms P £150 compensation. It also said that it had not received any further switching requests from the other provider.

Following this I issued a provisional decision on 6 August 2024, in which I explained why I was minded to hold RBS responsible for the switch not being successful. I have included an extract of my provisional decision below and it forms part of this decision.

"What I've provisionally 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 reviewed everything, I'm minded to uphold this complaint against RBS. I will explain why.

Firstly, having considered what has happened, I do feel a great deal of empathy for Ms P. She attempted to use the current account switching service, which was meant to remove the stress and hassle of moving accounts. Yet using that service on this occasion has clearly been very frustrating and stressful for Ms P. On this occasion, I think it's fair to say that the switching service failed to do what it was meant to do. Therefore, what is left for me to decide is who is at fault (or at least who should be held responsible for the failure) and what redress is fair in the circumstances.

I have read through the evidence that both RBS and the other provider has submitted on both complaints. I can see that RBS said it accepted the switch requests and essentially said the ball was in the other provider's court.

However, looking at an email exchange between RBS and the other provider, it is clear that there was a technical fault that meant that, although RBS was attempting to accept the partial switching instructions it received, this was not being recognised on the Current Account Switching service system. Indeed, I have seen evidence to show that the first two switching attempts were rejected by RBS (although I acknowledge that as far as RBS was concerned, it had accepted them).

From what I can understand, RBS was genuinely trying to comply with the switching instruction, but for whatever reason, the switching service was not recognising its responses correctly.

Therefore, I do acknowledge that it, technically speaking, may not necessarily have been RBS's fault. I accept it's possible that the failures that occurred could've actually been due to a fault of the processing system it uses. But I also can't rule out the possibility that RBS was not following the correct technical procedure when accepting the switching instructions. But that being said, I'm satisfied that the fault was resulting in the switching instructions to be recorded as being rejected by RBS. So in the circumstances, I think it is reasonable to hold RBS responsible for the impact that this had on Ms P. I say this because I can see that the other provider made multiple attempts, therefore it seems most likely that the reason why the switching service didn't proceed was because of RBS's failure (or inability) to accept the instructions.

Due to the failure of the multiple attempts at switching, this led to Ms P's payments not being switched over to her account with the other provider. This resulted in her having to cancel them all and set up new payments on her new account herself. I can see that this matter has gone on for many months, and I recognise that RBS and the other provider blaming each other would've been highly unhelpful for Ms P and greatly frustrating for her. I note that she has had to interact not just with RBS, but also the other provider, a number of times over a number of months in an attempt to get matters resolved.

As such, given that I think it's fair to hold RBS responsible for this issue in the circumstances, and when considering various factors - including how long matters went on for, I think that RBS should pay Ms P £325 compensation. I have gone for this specific figure, because I can see that the other provider has already paid Ms P £75 compensation for this matter. And so this would bring the total amount of

compensation paid to Ms P to £400. I think this is fair redress given what's happened.

I recognise that Ms P may want more than this, especially due to the amount of time that has elapsed. But I don't currently think that more is warranted. I say this because, although it would've been frustrating being stuck between two businesses blaming each other, and there may've been some uncertainty in the first few months of the switching attempts about which account the payments would be made from, at the same time Ms P was not prevented from making the payments in question. And I acknowledge that Ms P was able to mitigate matters by manually switching the payments over herself.

Putting matters right

Given what's happened, I'm currently minded to say that RBS should pay Ms P £325 compensation for the distress and inconvenience caused by this matter."

After I issued my provisional decision both Ms P and RBS responded, and said they had nothing further to add.

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 reconsidered everything, as neither party has provided any new information for me to consider, I see no reason why I should reach a different outcome to the one I reached in my provisional decision.

In summary, I'm satisfied that, in the circumstances, it's fair to hold RBS responsible for the failure of the partial current account switch that Ms P attempted.

Putting things right

Given what's happened, I require RBS to pay Ms P £325 compensation for the distress and inconvenience caused by this matter.

My final decision

Because of the reasons given above and in my provisional decision, I uphold this complaint. I therefore require The Royal Bank of Scotland Plc trading as The One Account to do what I have outlined above to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 19 September 2024.

Thomas White
Ombudsman