

## **The complaint**

Mrs M complains, via her representative, about RCI Bank for delays in acknowledging her documentation, and incorrect information given to her. She wants RCI to compensate her and her representative for substantial time and distress when they believed their identification documents had been lost.

## **What happened**

Mrs M has a personal representative, who holds an enduring power of attorney for her.

Mrs M's representative had an existing account with RCI. In November 2022, Mrs M's representative made an enquiry with RCI about opening an account for Mrs M.

The account available at the time of the enquiry had a rate of 4.6% interest on savings.

Mrs M's representative explained to the agent that she would be applying and providing power of attorney documentation. The agent she spoke to indicated that an application pack would be sent to her and gave the impression that this would arrive within around a week.

The documentation did not reach Mrs M's representative and so her representative chased RCI. RCI advised that there was a backlog following a high volume of enquiries. They advised that the documents had not yet been sent out, and that the account in question had been withdrawn.

Mrs M's representative complained, on the basis that they had seemingly missed the timeframes for applying for the particular account and had not been warned it was to be withdrawn.

RCI responded to that complaint in early December 2022. RCI offered to honour the interest rate of the account which had been withdrawn and offered £25 compensation as a goodwill gesture.

Mrs M's representative completed the application paperwork and returned this to RCI's freepost address around 5 December 2022.

Mrs M's representative contacted RCI around 21 December 2022 to check if the documents had been received. At that time, the agents she spoke to could not see on their system that the documents had been received and advised Mrs M's representative that they had not been received.

Mrs M's representative chased again throughout January and was told around 10 January 2023 and 20 January 2023, that the documents had not been received. Agents suggested that Mrs M's representative take up her worries with the postal service.

Mrs M's representative complained about the apparent loss. Mrs M and her representative believed that their ID documents had been lost, including photo ID and marriage certificates.

They were extremely worried and cancelled some documents and enrolled in a security service to prevent identity theft. In doing so they incurred expense.

RCI responded to the complaint by letter of 24 January 2023. In this, RCI acknowledged that the documents had been safely received and stored and were now being processed. They apologised that agents had not been aware of this and had given Mrs M's representative misleading information.

RCI offered a further £50 compensation to reflect this.

Shortly after this letter, RCI sent a text message and email to Mrs M's representative. These said that a linked account had been opened. This caused concern as Mrs M and her representative had not intended to link the account to another, and so they were concerned that identity theft had taken place and unauthorised action had occurred on the representative's account.

They complained. RCI responded to the complaint in February 2023. It acknowledged service failings throughout and offered a further £125 compensation to reflect the failings.

Mrs M and her representative rejected this offer and contacted us. They feel that, given the substantial upset they suffered, the time they spent chasing this matter, and the costs they incurred, this sum is insufficient. They have indicated that they feel a sum closer to £1200-£1300 is more appropriate.

Our investigator looked into this matter and set out his view. A separate matter was opened as regards the representative's own account and actions which impacted them in relation to their own account.

Our investigator considered that the complaint should be upheld, and that RCI had delayed unreasonably in acknowledging and actioning the documents. He did not consider that the action to cancel documents was reasonable at that time, however, so did not consider this a financial effect. He thought that RCI should pay £75 compensation to Mrs M and her representative.

Mrs M did not accept that view. They have set out that they spent what they calculate as 49 hours on the phone to RCI or researching, and incurred replacement documentation costs of around £186. They therefore feel that higher compensation is appropriate.

I issued a provisional decision in respect of this matter in August 2024. In that provisional decision I set out that I agreed with my colleague, however I also considered that the costs Mrs M and her representative incurred in replacing documents were reasonable and were a financial effect of the service failings. I considered that RCI should reimburse Mrs M for the costs of replacing those documents which they thought had been lost. I also thought that RCI should pay to Mrs M £250 compensation for her distress and inconvenience.

That provisional decision has been shared with the parties. RCI has responded to this matter within its response to the linked matter and has indicated that it accepts the provisional decision.

Mrs M has responded. She accepts the majority of the decision, but argues that the passport ought to be included as a financial effect as she argues it was reasonable to believe that this had been provided with the other identification documents. She also highlights that comments from RCI prompted and compounded her belief that the documents had been lost, and it was not just that RCI delayed in confirming receipt.

## **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 have considered Mrs M's additional comments and I acknowledge her comments that RCI took a more active role in causing her worry, rather than simply by not confirming receipt. I understand her view in this and I do not disagree with her comments. I have borne them in mind throughout.

She has asked that I reassess my view about the costs of the replacement passport. I have considered her request and comments, but I remain of the view that, unless the passport had been sent to RCI, it was not reasonable to replace this.

I have read Mrs M's comments about why she believed that this had been provided to RCI, and why she believed it had been lost. I accept that she did believe it had been sent to RCI and that she feared it had been lost.

I don't consider that it was reasonable to cancel and replace this, without further checking, however. Documents such as passports need to be kept safely and the holder should know the whereabouts of their passport. I accept that Mrs M believed it had been sent to RCI, but I think she should have carried out a more thorough search before acting to replace this. This would have revealed that it was not part of the documents sent to RCI, and so could not have been lost in this way.

I do not consider that RCI is responsible for this cost, as it did not ever have the passport and did not give the impression that this had been lost.

I do not criticise Mrs M for the confusion, and I acknowledge that mistakes happen, but I am satisfied that the costs of replacing the passport were not caused by RCI's failings, and so should not be reimbursed by RCI.

I therefore remain of the view expressed in my provisional decision and adopt that decision and reasons, as supplemented by the above, as my final decision.

## **My final decision**

For the reasons set out above, and in my provisional decision, I uphold Mrs M's complaint and direct RCI Bank Limited to:

- Reimburse Mrs M and her representative's expenses for calls, additional security and replacement documents incurred between 21 December 2022 and 24 January 2023;
- Add to the above sum interest at a rate of 8% per annum from date of expense up until settlement; and
- Pay to Mrs M £250 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 7 October 2024.

Laura Garvin-Smith  
**Ombudsman**