

The complaint

Mr B complains about the service he received from The Royal Bank of Scotland Plc (“RBS”) when it sent him a one-time passcode (OTP) by text message to his landline number despite not being able to receive this and asking it not to use his number. Mr B believes RBS are discriminating against him and other customers when it sends OTP’s to landlines when it knows they can’t receive this and is unhappy that it refuses to review its policies regarding this.

What happened

Mr B wrote to RBS and informed it that it continued to send OTP’s to his landline when he couldn’t receive them and asked that OTP’s be sent to him by email. To resolve the issue RBS removed Mr B’s landline number from its system which meant Mr B would receive OTP’s by email as it didn’t have a number for him recorded on its system.

Following this RBS again reverted to sending OTP’s to Mr B by text – to his landline number. This was due to Mr B reconfirming his contact details with RBS and it adding his landline number back onto its records which caused its systems to default to sending the OTP by text to his landline number – rather than Mr B’s preference by email.

This meant Mr B had to spend time unnecessarily on the phone to RBS’s fraud team to fix the problem.

Mr B complained to RBS about this as he wasn’t able to receive OTP’s in this way and that by continuing in this practice RBS was discriminating against him and other customers who continue to receive OTP’s to landlines that cannot receive them. Mr B wants RBS to explain why its policies are so customer unfriendly and make changes to how it issues OTP’s.

RBS upheld Mr B’s complaint and submitted his feedback and suggested changes to its process for the issue of OTP’s though it didn’t agree it had made an error in following its current security process for online card purchases. To put things right RBS removed Mr B’s landline number from its records so that OTP’s can once again be issued by email and compensated Mr B £50 for the inconvenience caused.

Mr B was dissatisfied with this and brought his complaint to this service.

Mr B says sending out texts to customers who can’t receive them is discriminatory and wants RBS to explain to him why its policies are so customer unfriendly and to change them.

One of our investigators looked into Mr B’s concerns but didn’t agree RBS’s mistake in sending the OTP’s to his landline amounted to discrimination and that it was RBS’s decision on whether to change its policy regarding how OTP’s are issued to customers.

But they agreed RBS had made an error when it again sent the OTP to Mr B’s landline number, but this had now been corrected and that compensating Mr B a further £50 for the inconvenience – which RBS agreed with - and passing on his feedback was a fair way to settle his complaint.

Mr B disagreed, he doesn't believe the compensation is enough and wants some reassurance that RBS will avoid mis-using his phone number in the future. Mr B has asked for an ombudsman's 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.

I hope that Mr B won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr B's complaint is that RBS used his landline number to send him an OTP despite him asking it not to. Mr B believes this action to be discriminatory and wants RBS to explain and change its policies regarding this.

It might be helpful to explain here I don't have the power to tell RBS how it needs to run its business and I can't make RBS change its systems or policies – such as how or when it sends out OTP codes. These are a commercial decisions and not something for me to get involved with. Nor can we say what policies a business needs to have in place or what regulations it needs to follow – that is the role of the regulator in this case the Financial Conduct Authority (FCA).

My role rather is to look at problems that Mr B has experienced and see if RBS has done anything wrong or treated him unfairly. If it has, I'd seek to put Mr B back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Mr B's says sending OTP's to customers who can't use them is discriminatory. And having considered all the evidence I do think RBS has made some mistakes, but I don't agree that the mistakes it made amounted to discrimination.

It is not our role to say whether a business has acted unlawfully or not – as our investigator has explained that's a matter for the Courts. But that said I've seen no evidence that RBS sent the OTP codes to Mr B in any other way then by pure error on its part when it again imputed Mr B's landline into its system.

RBS have explained that when a customer makes an online card purchase OTP's are sent first to the mobile number it has on file, then the landline number and then by email if it has no contact number on record. So following Mr B's letter advising he wished to reconfirm his contact details, Mr B's number was added back to its records which resulted in the OTP being sent to his landline again.

To resolve the issue RBS again removed Mr B's landline number which meant Mr B would once again receive the OTP's by email. RBS also compensated Mr B £50 for the inconvenience this caused.

As this puts Mr B in the position he would've been in had the mistakes hadn't happened I think this was a fair way to settle Mr B's complaint.

I appreciate that Mr B believes RBS should change its policy about the issue of OTP's and that a customer should be able to choose how an OTP is sent. But as I've already explained it's not for this service to tell RBS how what systems it should have in place to run its business. And ultimately Mr B has been able to receive the OTP code by email – his preference - by RBS making adaptations to its system to put this in place.

I appreciate Mr B wants some assurances this won't happen again and I accept being sent an OTP to his landline number on more than one occasion was frustrating and inconvenient for Mr B. But things don't always go smoothly and I think it's reasonable to expect to have to spend some time on dealing with and rectifying administrative issues – such as this and even assisting a business with rectifying a situation where one can.

So, I don't think RBS have discriminated against Mr B when it made a mistake in sending a OTP to Mr B's landline as I am satisfied this was due to an oversight when updating Mr B's contact details.

But Mr B has been inconvenienced and so I'm in agreement with our investigator that RBS should compensate Mr B a further £50 in recognition of this. I understand Mr B doesn't think this is enough but this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the FCA.

And as I haven't seen that Mr B has lost out financially due to the mistake and as I consider the inconvenience and impact on him as minor, I don't think compensation above this amount is warranted.

My final decision

For the reasons I've explained, I uphold Mr B's complaint and direct The Royal Bank of Scotland Plc compensate Mr B a further £50 on top of the £50 already paid.

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

Caroline Davies
Ombudsman