

## The complaint

Mr and Mrs H complain that the Royal Bank of Scotland PLC (RBS) delayed in removing the link between their personal and business accounts. As a result they said they weren't able to proceed with the sale of their business, S, and when the sale did go through they lost money for having to proceed at a lower purchase price.

## What happened

Mr and Mrs H set up a sweep, in December 2009, which moved money from S's business current account, to a personal savings account to set aside money for tax.

In early 2022, they proposed to sell S and wanted their personal and business internet banking to be separated, and the sweep to be removed. They say they were asking for this to be done from about August 2022. As a result of this not happening they say they lost the sale.

Mr and Mrs H proceeded with a new buyer in early 2023, though for £100,000 less than the previous proposed sale. The link was eventually removed, and the sale completed on 3 March 2023. Mr and Mrs H attribute this loss to RBS, together with the costs of their solicitors in acting on the first abortive sale

In respect of the delay in breaking the link between accounts, RBS apologised for its delay and for Mr H having to spend a lot of time on the phone sorting the matter out. It paid compensation of £192 in respect of phone calls and a further £300 for distress and inconvenience. It didn't accept liability for any other financial losses claimed.

On referral to the Financial Ombudsman Service, our Investigator said that RBS had paid a reasonable sum by way of compensation. In respect of the delay in transferring the mandate, he pointed out that this concerned the company and as such could only be looked at as a compensation issue if the new company director consented. After reviewing the question of the transfer of mandate, RBS was willing to offer £250.

Mr and Mrs H didn't accept that it was reasonable to expect the new owner to make a complaint about the transfer of the mandate, nor did they accept that RBS's payment of and further offer of compensation was reasonable. They pointed out that the business would have folded without their assistance and that if they had charged a fee for their bookkeeping activities, this would have been in the region of £25-30K.

The matter has been passed to me for an Ombudsman's consideration.

Mr and Mrs H commented as follows:

The 2009 co-joining of business to personal banking was suggested & established by RBS for RBS customers. It would later prove to be disastrous for their positions. RBS latterly not being able to break it, understand it or let RBS's new owners [N] know it existed. Instead they were bounced from business complaint team to personal complaint teams—in both organisations.

In late 2021 they made enquiries with RBS about what actions they should take when selling their business, specifically business banking & also their direct debit originator status.

They proceeded with the same buyer as before for the actual sale.

### **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.

My provisional findings were as follows:

*“Where the evidence is incomplete or contradictory, as some of it is here, I have to make my decision based on what I think is most likely to have happened. But it may be that I can't make a finding and if this is the case I shall say so. I have a duty to be impartial so I have to assess both parties' evidence fairly.*

*As I've set out above, Mr and Mrs H first proposed to sell S in early 2022. And I fully accept that the later sale which went through in March 2023 was for £100,000 less than the earlier proposed sale. But in order for me to find that RBS should pay the loss that Mr and Mrs H made in this respect, I would need to see evidence that the earlier proposed buyers withdrew on the basis of the delay by RBS in the breaking of the link between the personal and business accounts.*

*Mr and Mrs H told us that they first asked for the link between the personal and business account to be removed sometime in August 2022. They have supplied us with some emails. On 24 January Mr H asked “I may need to speak to you with my adviser some time about the accounts linking process---if we sell. “ This was followed by an email of 28 January where Mr H asked the business manager “Can you ring me so I can explain the linking question?” In an email of 25 February 2022 Mr H indicated that they had started the due diligence process with a potential purchaser. He also mentioned the transfer of the account and the process to “transfer the D/D arrangement.”*

*I have not seen any evidence of follow up calls or further emails in 2022 concerning the subject. This doesn't mean they didn't take place. But as Mr and Mrs H didn't ask for the link to be removed until August 2022 all the emails show is that RBS was aware of the prospective sale and the actions that needed to be taken. I haven't seen evidence from RBS about this request, but if I accept Mr and Mrs H's word, I haven't seen evidence that they chased the matter. Their solicitors submitted an invoice in October 2022 and I assume the sale fell through around about then.*

*RBS says the breaking of the link was only requested in January 2023. It found two calls concerning this. In a call of 10 February 2023 the adviser said she had been trying to close the account for about two weeks and on the call on 16 February 2023 another adviser said he had been trying to close the same account for about four weeks, or later in the call he said six weeks. The calls didn't indicate that this had been an ongoing problem before early 2023.*

*So I accept that in early 2023 Mr H was in contact with RBS about breaking the link. This didn't appear to delay the sale going through and indeed the buyer appeared content to leave the matter to Mr and Mrs H to sort out. If I accept there were other calls RBS hasn't provided, I still think the compensation paid for the cost of phone calls and the distress and inconvenience was fair and reasonable.*

*As I've said, I have to base my decision on what I think is most likely to have happened. If*

*the question of breaking the link was ongoing during the first sale, I haven't seen any documentary evidence that this either caused a delay or the prospective purchaser's withdrawal. As our Investigator has advised, we would need to see clear evidence to justify an award of compensation in the region of £100K. There's no indication either from Mr and Mrs H's solicitors, the prospective buyer or their solicitors that the sale fell through because of any delay on RBS's part in breaking the link. And I'm aware that there could be any number of different reasons why a proposed sale would fall through.*

*Finally Mr and Mrs H say they were without access to their online/mobile banking in May 2023, for about a week. I think this is a separate issue to the mandate problem, as there was no link (by that time) between their personal accounts and their former business account. No compensation has been separately proposed for this particular problem. Though I bear in mind that although inconvenient, Mr and Mrs H haven't shown that they were caused any financial difficulty through being unable to pay bills etc. I think, for this particular issue RBS should pay a further £50 compensation.*

*With regard to the further correspondence Mr and Mrs H have told us RBS has mistakenly sent them, this is a new issue which should be raised with RBS first. I would observe though that again this seems to be related to the business."*

I still stand by my provisional findings. These were essentially that, while noting that the breaking of the link between business and personal accounts had been discussed earlier, the evidence, in part based on Mr H's replies to our Investigator's questions was that this was first raised as an issue in early 2023. And the fact that the same buyer was involved reinforces my belief that any delay in breaking the link didn't cause their initial withdrawal. I still think that the amount of compensation paid by RBS was fair and reasonable.

Those findings are now final and form part of this final decision.

### **Putting things right**

RBS should pay a further £50 compensation.

### **My final decision**

I require The Royal Bank of Scotland Plc to provide the remedy set out under "Putting things Right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 16 October 2024.

Ray Lawley  
**Ombudsman**