

The complaint

G (a limited company) complains that The Royal Bank of Scotland ('RBS') closed its business bank account without any warning. It complains that RBS didn't update its address on its system as requested.

G's complaint is brought by its director, Mr C.

What happened

G had a business account with RBS.

In March 2022, the account was transferred to RBS's collections team due to the outstanding balance on the account.

On 5 May 2022, RBS sent G a formal demand for repayment. As the bank didn't receive a reply the account was transferred to recoveries on 31 August 2022.

On 29 November 2022 G's business account was closed.

Mr C says RBS' letters weren't sent to the right correspondence address. So, he didn't get them. That meant he didn't get the chance to put matters right and stop the closure of G's bank account. Mr C said he'd asked RBS to change G's correspondence address but it hadn't actioned his request.

RBS didn't uphold the complaint. It said it couldn't find any request to change G's correspondence address before G's business account was closed. So it sent the letters to the address held on its system.

Mr C remained unhappy. He said RBS knew there was a problem with the correspondence address on its system and that its letters weren't getting through to him. So it shouldn't have sent important letters to the address it had on its system. He brought this complaint to the Financial Ombudsman Service. For completeness I'll say here that Mr C has also complained about the handling of his personal accounts.

Our investigator considered what happened. She didn't think RBS did anything wrong. That's because she could see that RBS sent letters to G at the correspondence address held on its system before the bank account was closed – the same address Companies House had for G. She appreciated that Mr C had told her that he'd asked RBS to change G's business account address on its system, but she couldn't see any record of that. She also said that RBS had provided evidence to show that it had sent text messages to Mr C's mobile phone on 12 and 26 March 2022. That was before RBS issued a formal demand for repayment of the outstanding balance. But she couldn't see any evidence to show that Mr C had spoken to RBS about those messages.

Mr C responded to say that from July 2022 until October 2023, he'd tried to change G's account address (both the registered and correspondence addresses) on RBS' system. He said that in July 2022 he emailed RBS' complaints team saying that the address details of all

his accounts (including his personal accounts) should be the same. He provided evidence of web chats with RBS to back up what he said and referred to a “change of information form” he’d submitted. The chats appear to date from October 2022. However, Mr C said his requests were ignored, that RBS didn’t help or support him as it should given his personal circumstances. So he said RBS breached regulatory and legal requirements.

Our investigator said that by October 2022 G’s business account was already on track to be closed – as the default letter and formal demand letters had already been issued months earlier. So she didn’t think the closure of G’s business account could have been prevented by that point.

Our investigator didn’t think RBS needed to do anything to resolve this complaint.

Mr C remained unhappy and asked for his complaint to be reviewed by an ombudsman. So this complaint was passed to me to decide.

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’ll begin by saying that I can see that that Mr C had to deal with some challenging circumstances in 2022. He has told us that between January and May 2022 he was occupied as sole carer for members of his family with serious medical issues. Recently Mr C said he received notifications from RBS in early 2022 but didn’t receive a final notice. After that he lost access to his online banking because of an issue with his address in February 2022. He says that by the time he realised what had happened and sorted out the issue with his address (summer 2022) he had an accident that required significant bed rest. He says that from July 2022 until October 2022 he tried to change G’s account address and has complained to RBS about issues after G’s business account was closed on 29 November 2022.

I’m very sorry to hear about the personal challenges Mr C has faced and appreciate his frustration about the issues raised in this complaint. But the issue I need to consider in this complaint is whether RBS made a mistake that meant that G wasn’t given notice that its account was going to be closed on 29 November 2022.

I’m satisfied that RBS tried to contact Mr C about G’s account and the outstanding balance before May 2022. I can see that in March 2022 RBS sent Mr C two texts to say that G’s account had gone into an unsatisfactory position, and that the balance needed to be cleared to stop action being taken. RBS says it had emailed Mr C in March 2022 too, but it didn’t get a response to its texts or emails. So having considered the available evidence, I’m satisfied Mr C was aware that there was a debt on the account that needed to be paid. I appreciate that Mr C had a lot going on in his personal life at the time, and that the debt wasn’t his highest priority. But I think RBS could reasonably expect Mr C to clear the balance on G’s account after he was told about it. Mr C didn’t need to wait for a final demand.

RBS has provided evidence to show that it wrote to G in May 2022 to say that its account would be closed within 60 days if the account wasn’t brought up to date. There’s no dispute that RBS sent that letter to the correspondence address it had on the system at the time – an address that Mr C says he didn’t receive mail from. I’ve reviewed the evidence that has been provided and I can’t see that Mr C asked RBS to change G’s correspondence address before that. So I can’t say that RBS made a mistake when it sent the May 2022 letter to the correspondence address it had for G at that time. It’s standard practice for banks to send such letters by post and RBS has said that its policy is to send a notification of account

closure by letter. So I can't say that RBS should have phoned/emailed Mr C about the account closure instead.

Even if it had phoned/emailed Mr C about the account closure (something it wasn't required to do) I'm not persuaded that would have made a difference. I say that because Mr C has said that he routinely got multiple texts from RBS each week about his accounts. The messages asked Mr C to phone it. Mr C said he was frustrated that the messages weren't specific about the account they were referring to. He says he was also annoyed about how long it took to get through to RBS on the phone, and its lack of relevant notes when he did get through. So he stopped responding to them.

Recently Mr C has indicated that his accountant received letters in relation to G, but the accountant didn't pass them on to him. I'm sorry to hear about that, but that isn't something that I can hold RBS responsible for.

Mr C remains very unhappy about how he thinks RBS dealt with his efforts to change G's address on its system. He says he was unable to access G's account online after the issue with his address in early 2022 meant that letters were marked "gone away". However, RBS has provided evidence to show that Mr C accessed his account online throughout 2022.

Mr C says that in July 2022 he emailed RBS' complaints team, making it clear that the address details of all his accounts (business and personal) should be identical. I've seen a copy of that email and can see that he set out the address he wanted to be used for all his accounts.

I think RBS should have acted on that email. So I understand Mr C's frustration that it didn't. However, I'm also conscious that by July 2022 RBS had already written to him to say that unless G's account was brought up to date, it would take action.

Mr C has told us that he submitted a form to change G's business address on 10 October 2022 but it was ignored. He has provided us with a confirmation code he says he received for that and has provided us with details of an online chat he had with RBS in October 2022 where he made it clear he wanted to change G's address.

I appreciate his frustration that G's address still hadn't been updated by October 2022. I've considered the communications he had with RBS around that time. It's not clear why the RBS adviser Mr C corresponded with (in the October 2022 online chat) didn't make it clear that G's account was already in the process of being closed. I'm in no doubt that Mr C would have found that helpful. However, I agree with our investigator's view that G's account was already in the process of being closed by that point. So I don't think Mr C's actions to change G's address on RBS' system from October 2022 onwards would have made any difference to the account being closed.

Mr C feels RBS should be held accountable for not updating G's address on its system in accordance with his instructions. Recently, he has said that's his core complaint. He has said that by not updating G's business address after his efforts in October 2022 RBS was in breach of regulations and data protection laws it was required to follow. I don't underestimate Mr C's strength of feeling about what happened. But it isn't my role to punish RBS for what happened or to act like its regulator. And I don't think it would be fair and reasonable for me to say that RBS should have taken action to change the address on an account that was being/had been closed.

Mr C has talked about the impact of RBS' actions/inaction to change G's address on him personally. He has said that RBS didn't take his vulnerabilities into account or support him as it should when handling G's account. As I said above, I'm very sorry to hear about what

Mr C has told us about his personal circumstances. However, the role of G's director is to bring a complaint on G's behalf, in the same way that a solicitor or accountant might represent a company in a complaint. That does not entitle Mr C to be compensated for his own distress or inconvenience in relation to this matter. As a director of G, Mr C is not entitled to claim compensation in his own right.

Conclusion

I appreciate that Mr C is very unhappy about the issues raised in this complaint. I think it's fair to say that RBS could have done more to support G's efforts to change its address on RBS' system from July 2022 onwards. But for the reasons set out above, I don't think RBS needs to do anything to resolve this complaint.

My final decision

For the reasons set out above, my final decision is that The Royal Bank of Scotland doesn't need to do anything to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 7 February 2025.

Laura Forster
Ombudsman