

The complaint

Miss G complains The Royal Bank of Scotland PLC (“RBS”) gave her incorrect information following regarding fraud on her account, and this has caused her distress and inconvenience.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, Miss G was a victim of fraud which led to several of her accounts being compromised. An overdraft was taken out in her name with another bank (I’ll call them Bank X for the purpose of this decision) and transferred to her account with RBS. The funds were then transferred out to an unknown third party. RBS refunded this money to Miss G the same day the fraud was reported.

Miss G is unhappy because she says she has remained in the overdraft with Bank X since the fraud took place, as RBS incorrectly told her it would be transferring the funds back for her. She also says RBS told her not to move the money herself. As a result, Miss G says she has incurred fees and charges on her account with Bank X. She also says this has caused her unnecessary stress and inconvenience.

RBS looked at Miss G concerns. It had refunded the full amount taken the same day the fraud was reported. So, it didn’t feel like it needed to refund her any more money. However, it did feel it could’ve provided better service to her, and for the distress and inconvenience it caused it decided to award her £200 in compensation.

Our investigator considered this complaint and decided not to uphold it. She felt RBS had correctly refunded the fraud amount had and paid sufficient compensation for the distress and inconvenience caused. Miss G didn’t respond so the complaint has been passed to me for a final 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’ve seen evidence that the £2,000 that was fraudulently taken out via an overdraft on Miss G’s account with Bank X and then transferred to RBS, was returned to her on 5 March 2024. This is what we would expect RBS to do in cases of unauthorised transactions, and what is set out in the Payment Services Regulation 2017. So, there is nothing further to investigate on the unrecognised transaction. Therefore, the only element I need to consider here is whether any compensation is due for distress and inconvenience caused.

Miss G says RBS told her several times that it would be returning the fraudulent funds to her account with Bank X. And the information she received from Bank X was that it had sent an indemnity request to RBS for the same. However, RBS didn’t do this. Miss G says she asked

RBS if she should move the money herself and was told, on more than one occasion, that doing this might implicate her in the fraud. Therefore, Miss G incurred fees and charges on the overdraft with Bank X and spent months chasing this.

I've carefully considered what Miss G has said, and the evidence I have on file. I have seen a copy of the indemnity request RBS received on 5 March 2024. However, I've also seen that RBS refunded the £2,000 back to Miss G's account with it on 5 March 2024. As both happened on the same day, I think it's likely that by the time the indemnity was sent and picked up RBS had already refunded the money directly to Miss G.

Miss G is unhappy with this as she says it should've sent the money straight to Bank X. But there is no such requirement outlined in the Payment Services Regulation 2017, or any other industry guidelines, so I can't say RBS had done anything wrong in sending the refund to Miss G's RBS account.

Miss G says she was told not to touch the money by agents within RBS. I have also seen evidence that RBS said an investigation was ongoing after the refund had been returned. So, I can understand if Miss G was initially concerned about moving the money. But since then, Bank X and our Service have instructed Miss G to return the money to Bank X to clear the overdraft. In any event, I am satisfied that Miss G will have all the fees and charges refunded by Bank X. So, there would be nothing more to instruct RBS to do on this point.

RBS recognised that it made some errors and caused some delay to the situation being resolved. For this it paid Miss G £200 in compensation. I have considered this award, and I think this is fair. I say this because I am satisfied that Miss G has had all the money from the fraud refunded to her, along with the fees and charges, and any adverse information that was recorded against her. While I can appreciate Miss G has been distressed about this situation, I feel this is in relation to the fraud itself, which I can't say RBS is responsible for. I accept RBS were not clear in it's communication, and caused some delay, I think the £200 compensation is a reasonable amount to make things right.

So, for all the reasons outlined above, I am not upholding this complaint.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 15 July 2025.

Sienna Mahboobani
Ombudsman