

The complaint

Miss P is unhappy a student account was taken out in her name without her request or consent.

What happened

Miss P was made aware of a student account taken out in her name when a Royal Bank of Scotland (RBS) debit card and PIN number were delivered to her home address whilst she was away at university. Miss P immediately notified RBS.

Miss P also explained she had been approached by a third-party before the student account opening, who said they could assist her with applying for a Universal Credit Loan and that she shared her personal and identification details which she believes were used to apply for the student account.

RBS held Miss P liable for repaying the overdraft debt accumulated on the student account, but Miss P disagreed because she had not consented to the student account opening.

The investigator on reviewing the evidence presented was persuaded on balance that Miss P had not consented to the opening of the student account and upheld the complaint. In settlement the investigator recommended that RBS not hold Miss P liable for the debt, correct any reference of the account and overdraft from her credit file and refund any fees and charges incurred but did not feel that further compensation was warranted.

RBS agreed with the investigator's recommendation, but Miss P did not entirely agree. She felt that further compensation should also be awarded based on RBS's handling of her complaint.

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.

Having done so, I uphold this complaint for broadly the same reasons as the investigator.

I've carefully considered all the evidence provided and I'd like to assure Miss P that if I don't mention a particular point, it's not because I haven't considered it, but that I've focussed instead on what I believe to be important to the outcome of this complaint.

I am sorry to hear about the impact this experience of identity theft had on Miss P's mental health, and I can appreciate the distress it would have caused and the impact it had on her university studies.

I can see that Miss P notified RBS as soon as she became aware that an account had been fraudulently opened using her identity and made efforts to resolve the matter with the bank prior to it reaching our service. But RBS on reviewing everything, determined that Miss P

should be held liable for the debt owed and I can understand that would have brought on some added worry for Miss P.

Following our investigator's further review of the matter, RBS has accepted the recommendation made to cancel the debt against Miss P, and it has confirmed that it will rectify any consequences of the account opening on Miss P's credit file. It has also recorded the matter with CIFAS to protect Miss P from future fraud. I am satisfied that RBS has been reasonable here and taken appropriate action to protect Miss P.

So, the matter that remains in dispute is regarding RBS paying compensation to Miss P in recognition of the distress and inconvenience she experienced whilst RBS was looking into things and ultimately the pace at which their determination was made. Miss P has detailed the effort put into trying to bring this matter to a close with RBS and feels that had an answer been provided sooner it would have avoided the subsequent distress experienced. When considering what a business should do to put things right, it's not my role to punish it, instead I consider the direct impact its actions have had on a customer, and also whether its actions at the time were fair and reasonable. Having considered the matter carefully, I am satisfied that on this occasion compensation is not due. I'll explain why.

I understand, this situation came about because a fraudster used Miss P's identity to apply for and use the overdraft facility on a student account. It is not in dispute that Miss P's personal information including her driving license, UCAS number and National Insurance number were shared with a third party – along with Miss P later providing a live selfie to satisfy the banks requirements, which then resulted in the account opening. Although Miss P has explained she was deceived into sharing this information, it's clear that her actions did have a negative knock-on effect and primarily influenced the course of events that followed.

I find RBS acted fairly and reasonably when it opened the account, given the information it had received. It acted in good faith and it's understandable it considered the application it was asked to process, to be genuine at the time.

Miss P feels that the time RBS took in responding to and addressing the matter added unnecessary distress for her and that had she been provided with a response more promptly it would have allowed for her to escalate and resolve everything much sooner. So, I've considered whether RBS should pay Miss P compensation for the distress caused by their initial review into the matter. But like our investigator, after considering everything presented, I'm also persuaded that Miss P's disclosure of personal information to the third party, although I accept not for the purpose of the application of the student account on her part, had a bearing on the account opening which then caused the subsequent concerns raised.

I can understand why RBS on investigating, declined Miss P's claim and held her responsible. RBS's review of the matter highlighted the identification provided towards the account application and why it would have satisfied their requirements and how the account opening was further verified by Miss P providing a live selfie on its request. But I agree having reviewed everything that RBS were slow to respond to Miss P and should have been clearer in communicating the reasons why their decision was delayed so that Miss P was not left waiting. But as it was the fraudster that ultimately caused Miss P's distress, rather than the actions of RBS, I don't make any further award.

Miss P has also highlighted that RBS should have further checks in place relating to the opening of a second student account. I can understand the point Miss P is making and although banks have measures in place to prevent such instances of identity fraud, preventing all incidents of fraud is not always possible and it's not the role of our service to tell a business what processes to put in place.

Although RBS didn't do what it ought to have here in communicating its delay in investigating the matter with Miss P, I'm mindful that it's acted reasonably overall, in agreeing to write off the debt. As the fraudsters, not RBS are to blame for the unfortunate situation Miss P found herself in, I make no further award.

I sympathise with Miss P and can fully appreciate the additional stress caused by the identity theft, but as I am satisfied that RBS has done enough to put things right, I won't be asking it to pay further compensation here.

My final decision

My final decision is that I partially uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 15 April 2025.

Sukhdeep Judge
Ombudsman