

The complaint

Mr G's complaint arises out of a current account held with The Royal Bank of Scotland Plc.

Mr G is unhappy that RBS blocked transactions on the account, as a result of which Mr G needed to open a second current account with a different bank. This left a credit search on Mr G's credit file, which he's unhappy about. In addition, Mr G says that he can't always log into his RBS banking app.

RBS paid Mr G £600 compensation, which Mr G has acknowledged is "*generous*". However, to settle the complaint he would like RBS to pay between £800 and £1,000 compensation, and allow him to use his account as he chooses.

What happened

Mr G has a current account with RBS which he's explained he uses predominantly for transactions with bookmakers. Mr G said an issue arose when he withdrew winnings from his online betting accounts, because RBS would block these from being credited to his account.

RBS acknowledged this was an error on its part, although wasn't able to explain how it arose. The bank paid Mr G £600 compensation.

Mr G brought his complaint to our service. He said that, although RBS had "*compensated me generously*", he'd had to open a second account with another bank for his gambling transactions, which left a hard search on his credit file. Mr G says this has impacted his credit score. In addition, Mr G said he had difficulties using his RBS banking app as he wasn't always able to connect to it.

An Investigator looked at what had happened. He acknowledged Mr G's frustration, but explained that RBS's system had flagged the credits to Mr G's account as part of its fraud and security measures. The investigator noted the difficulty Mr G sometimes had connecting to his banking app, he wasn't able to conclude that this was the fault of RBS. And, whilst the Investigator accepted that a credit search had been carried out when Mr G opened an account with another bank, he didn't think this was the responsibility of RBS.

The Investigator thought the £600 paid by RBS was fair, and said that he wouldn't recommend any higher award.

Mr G didn't accept the Investigator's findings. He said he was "*forced*" to open an account with another bank. Mr G also said that the connection issues with the RBS banking app persist wherever he is, so it's nothing to do with his phone connection.

Mr G also said there is a failure within RBS's system which it has tried to shift to the various bookmakers whose transactions have been rejected. Mr G argued that the £600 was paid on the basis it was a one-off and the situation wouldn't arise again, but it did. Because of this, Mr G said that he thinks a figure of £800-£1,000 would have been more appropriate, so he'd be willing to settle the complaint if the compensation was increased accordingly.

Because the matter is unresolved, it falls to me to issue 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.

Having done so, I've reached the same conclusion as the Investigator, for broadly the same reasons.

The only outstanding issue in this complaint appears to be how much compensation Mr G would be willing to accept to conclude this matter. The bank has already paid compensation of £600, but Mr G says he would be satisfied with an additional £200-£400.

I acknowledge it was frustrating for Mr G's credits from his gambling websites to be blocked by RBS. Although RBS wasn't able to give a specific reason for this, I'm satisfied that it is more likely than not that it was due to the algorithm on the bank's fraud detection software.

RBS is entitled to have such a system in place, and I don't have any power to tell the bank how it should operate its security systems. As these are generally automated systems, it's not possible for them to be manually overridden to allow specific transactions to bypass the bank's security checks.

I appreciate that the blocking of these credits caused Mr G some inconvenience, but it was his choice to open another account with a different bank. RBS did not "*force*" Mr G to do this. Mr G says that his credit file has been impacted by opening a new account. However, he's provided no evidence to suggest that he's been declined credit as a result of any act or omission on the part of RBS that has impacted his credit score.

I've noted what Mr G has said about difficulties accessing RBS's banking app, at home, at work and elsewhere. RBS hasn't been able to identify any systemic issues with its app, so I'm unable to conclude that Mr G's difficulty in connecting to the app is the fault of RBS.

Overall, I think the £600 compensation paid by RBS is fair, reasonable, and proportionate to the issues experienced by Mr G. I'm not persuaded that there is any basis on which I could fairly order the bank to pay additional compensation, given that the £600 is more than I would have awarded if no offer of compensation had been made.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 January 2025.

Jan O'Leary
Ombudsman