

The complaint

Mr and Miss N complain that Royal Bank of Scotland plc (RBS) didn't notify them that their platinum account didn't pay interest.

What happened

Mr and Miss N had a platinum account with RBS. This RBS account - a packaged bank account - had been open since 2006 and had been a platinum account since 2015.

In August 2022 Mr N phoned RBS to discuss a large deposit of funds he was expecting into this account. He wanted to make sure the transaction went through securely, checking his platinum account details, and he wanted to confirm that the funds were guaranteed by the Financial Services Compensation Scheme. Mr N told RBS he intended to either use the funds for an additional purchase or transfer his funds elsewhere.

When Mr and Miss N went to transfer the funds out of their account in February 2023, it came to their attention that they hadn't been earning any interest on the funds.

Mr and Miss N complained to RBS. They were unhappy no one had explained this to Mr N when he called, particularly in light of the information he gave. He said he and Miss N didn't have sufficient information to make an informed choice about how to manage their money.

RBS looked into the complaint and issued a final response letter to the complaint on 16 February 2023. In this it said that it wouldn't advise a customer what to do with their funds and as such it hadn't made an error.

Mr and Miss N remained unhappy, so they brought the complaint to our Service. They said that the lack of interest paid on the account is not at all obvious on the account statement. They stressed they were paying for the platinum account, and that the service they received wasn't commensurate with this. They also said they spoke with staff at RBS on multiple occasions after depositing the money, and that no one told them they weren't earning interest. They said that once they'd realised what had happened and raised a complaint, staff had agreed that they ought to have been told about the interest rate sooner. Mr and Miss N wanted RBS to compensate them for the interest they could have earned had they moved the money elsewhere.

Our Investigator looked into things and was of the opinion that RBS had acted fairly. They noted that no discussions about interest rates were had during the call in August 2022 and RBS wasn't offering financial advice. Mr and Miss N disagreed, pointing out this wasn't the only call with RBS. They highlighted Consumer Duty and that under the FCA principles RBS ought to have provided 'clear, fair and not misleading information' and that it failed to do this when it omitted crucial information. And so, the complaint was passed to me to consider.

I thought it was likely I'd reach the same outcome as the Investigator but for different reasons, so I issued three provisional decisions to ensure both parties had the opportunity to respond before a final decision was made. I revised my thoughts in light of the further

comments raised.

In brief, I said that there was no evidence Mr N was seeking financial advice or information about interest rates in the August 2022 call, so I didn't think it was unreasonable interest was not discussed. And I wasn't persuaded based on the available evidence that interest on the account was discussed in later calls and that RBS failed to provide the information it ought to have.

RBS made no further representations. Mr and Miss N disagreed with my findings and raised a number of concerns. As part of this Mr and Miss N said this complaint had been recategorized and misstated. I have asked Mr and Miss N to clarify the basis of the mistake via email on 7 May 2025 as well as in my last provisional decision. As such, they were invited to provide a clear summary of their complaint for the Ombudsman's consideration, but this wasn't provided. Instead of clarifying the complaint as requested, Mr and Miss N referred to previous submissions dated 19 November 2024 which do not clarify the complaint they insist has been miscategorised and misstated.

I've carefully considered the detailed points they've raised and all of the evidence provided. In order to resolve this complaint fairly for all involved, I am now issuing 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 can see Mr and Miss N have noted that I haven't addressed a number of specific comments or points. I've carefully read all of the correspondence they've sent this Service. That being said, my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the material points raised by both parties, rather than considering every issue in turn.

Mr and Miss N have made reference to a number of regulations in their submissions including Principle 7 and Consumer Duty. The Consumer Duty is a new standard for firms which was introduced by the regulator, the Financial Conduct Authority. It sets a higher standard for firms in terms of how they are interacting with their customers, and it applies to events from 31 July 2023. The Duty doesn't apply to acts that occurred before this date and cannot be applied retrospectively. Which means it isn't something I can consider in relation to the events Mr and Miss N are complaining about.

However, in deciding what's fair and reasonable in all the circumstances of the complaint, I've taken into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time. I'd like to reassure them that this includes:

- Principle 7 which states that a firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.
- The Banking: Conduct of Business Sourcebook (BCOBS). In particular, BCOBS 4.1 which details 'the appropriate information rule' and the considerations surrounding this. This rule states that: *'A firm must provide or make available to a banking customer appropriate information about a retail banking service and any deposit made in relation to that retail banking service: (1) in good time; (2) in an appropriate*

medium; and (3) in easily understandable language and in a clear and comprehensible form; so that the banking customer can make decisions on an informed basis.'

I will begin by clarifying my understanding of this complaint.

I have carefully considered all of the ways in which Mr N has described their complaint to our Service, and having done so, I will be focusing on the communications around the time of the 2022 deposit within this decision. I say this noting that Mr and Miss N haven't raised a complaint about the sale of their account in 2006, or the information given at the point of sale. And RBS would first need to be given the opportunity to respond to any such complaint before our Service could consider this. Ultimately, I think it is important to consider whether RBS has provided clear, fair and not misleading information about the account to Mr N and Miss N, but I will consider the historic communications only to the extent required in order to get a reasonable feel for whether Mr and Miss N knew, or ought to have known, around the time they made their 2022 deposit that the account was not interest bearing.

My understanding is that Mr and Miss N are complaining that around the time they made a large deposit of money into their current account in 2022, RBS failed to tell them it wouldn't earn any interest. I should say they are not suggesting RBS actively misled them by telling them interest was payable. But Mr N has made comments which tend to indicate they have some concerns about the way in which information about the lack of interest on the account had been given to them more generally, suggesting they may feel they had never been fairly told the account was not interest bearing. This aspect of their complaint is a little unclear, and they have not provided any further clarification about whether they knew at any point that the account did not bear interest, despite my direct request for them to clarify their complaint.

Nonetheless, I understand the emphasis of the complaint to be that regardless of whether they were told the account was not interest bearing, Mr and Miss N feel RBS ought to have reminded them that the account did not pay interest. So, in order to fairly decide this complaint, I will consider two key questions:

- i. Did RBS give Mr and Miss N clear, fair and not misleading information before 2022 that the account was not interest bearing? And, if so
- ii. Did RBS nonetheless fail, reasonably, to remind Mr N that was the case in the communications made around the time of the deposit in 2022?

In relation to the first question, my understanding is that interest has not been payable on this account since 2010. So, I've first considered whether the fact interest was not payable was made clear to Mr and Miss N. Again, I do so not to examine whether the account had been mis-sold to Mr and Miss N, but to consider whether Mr and Miss N knew, or ought to have known, the account was not interest bearing before 2022 when their further deposit was made. In light of the fact that by this time, Mr and Miss N had held the account for 18 years, and because the account had not been interest bearing since 2010, I consider this to be a relevant consideration. In my view, the fact that the account was not interest bearing was fairly made clear to them – I'll explain why.

I am satisfied that the current terms and conditions of the account do not indicate interest is payable. I appreciate Mr and Miss N feel the lack of an interest rate isn't prominent or clear on their statements, but I don't agree. I'd note these are statements for current accounts so I wouldn't necessarily expect them to explicitly state 'no interest is applied'. But the statement information I've seen, which starts in January 2021, clearly shows that no interest was crediting the account and statements to this effect would have been sent to Mr and Miss N.

In addition, RBS sent Mr and Miss N an annual statement of fees to their home address, specifically, I've seen statements of fees sent in August 2021 and July 2022. Both of these documents clearly stated under the category '*Total interest earned*' '*interest not applicable*'. This information was included on the first page of these documents, and was highlighted, so I'm also satisfied it was sufficiently prominent.

Mr N has explained he is a barrister, indeed a King's Counsel (KC). He has signed all of his correspondence to us as a 'KC' and has corresponded with us using his chambers' e-signature. I'm aware that in his latest correspondence, Mr N says the fact that he is a KC is '*irrelevant to the application of the relevant principles*'. But I disagree. When I am asking myself 'what would a reasonable person in Mr N's position have understood about the interest-bearing status of his account', I consider the fact that he is a barrister and a KC to be a relevant feature in applying that test.

And I have given cautious thought to his concerns that referring to his status as a KC would identify him in the event this decision is published. But, given the number of KCs in the UK, and in the absence of any other identifiable features mentioned in this final decision, I do not agree with him that that is a reasonable possibility.

With this in mind, it is in my view reasonable to have expected Mr and Miss N to have read their statements and statement of fees that RBS sent them. And I don't think it can be the case that a person in Mr N's position could have read the above documents and not reasonably understood that the account didn't pay interest. I also think it's fair to say that having been sent this information, they ought reasonably to have understood this was not an interest-bearing account. And taking everything into account, I do think RBS provided clear, fair and not misleading information that the account was not interest bearing and that this was a fair way for RBS to provide this information. I'd also highlight that one of the statement of fees was provided only a month before Mr N called to discuss the transfer of the funds.

I appreciate this was an account Mr and Miss N did not use frequently, and that they have said that they didn't review in detail the documents they were sent. However, I think it's reasonable, when considering the fairness of RBS's actions, for it to have acted on the basis that Mr and Miss N had read the documents RBS sent them. And I don't think the mere fact that the account was a 'platinum' account mean that it was reasonable for Mr and Miss N to have assumed the account would have borne interest, when the fact that it did not bear interest was displayed clearly and fairly on the account information they had received.

In turn, I consider that Mr and Miss N knew, or ought reasonably to have known, that the account did not bear interest before they approached RBS regarding the 2022 deposit into the account.

In making these findings, I take account of the fact that Mr N says I have irrationally and unreasonably asked what I 'would ordinarily expect' of a person in the position of Mr and Miss N. However, it is in my view necessary to ask this question in order to consider the fairness and reasonableness of RBS's actions.

So, I've then considered whether RBS failed, reasonably, to remind Mr N that interest was not payable when he contacted it in relation to the 2022 deposit.

I would like to be clear that I haven't confined my inquiries to the phone call that took place in August 2022 - I recognise that Mr N says that interest was discussed 'in one of the calls' with RBS and that three of these calls took place after the deposit was made. In turn, my investigation has taken into account all of the evidence regarding what was likely to have been said or communicated both in the period leading up to the making of the 2022 deposit, as well as what was likely to have taken place after that deposit was made.

I'd also like to explain that I don't think the fact that this was a platinum account makes any difference to the information I would expect to see in this case. I've explained what I would expect of RBS below and why I think RBS had the same responsibilities regardless of the nature of the account in question.

RBS had a duty to provide clear, fair and not misleading answers to the questions it was asked which is why it was important I investigated all of the potential calls made by Mr N around this time. Unfortunately, not all of the calls are available and so I have had to base my findings on the available evidence, which is the calls in August and December 2022 together with the very limited contact notes from the calls in September and October 2022 as well as what Mr N says was discussed throughout the calls.

From the information provided by RBS, there is no evidence Mr N asked any direct questions about interest during these calls or that RBS provided any unclear or misleading response. Mr N also hasn't said he asked RBS a direct question about interest. Whilst RBS was required to give clear fair and not misleading answers to his questions, given the absence of evidence that direct questions about interest were asked, there doesn't seem to be a reasonable basis on which I could find RBS had done anything wrong.

In the absence of a direct question, I do not feel that RBS was required to actively remind Mr N that the account was not interest bearing to help them make an informed decision. I say this as I think RBS was entitled to assume that Mr N was already aware this was the case given that he'd held this account for many years and the documentation it had sent him made it plain no interest was payable. There may have been many good reasons why Mr and Miss N wanted to put the money into a current account, notwithstanding the absence of interest, and so it is entirely understandable that RBS may not have considered their decision to do so to be so surprising that it ought to have reminded him about interest. So regardless of whether Mr N had the information about the interest on the account in mind when he made the deposit, or thereafter, I am not persuaded RBS acted unreasonably in not actively reminding him of this.

In saying this I also note both parties agree that RBS was not asked to provide advice here and so I cannot agree with Mr and Miss N that RBS failed to give Mr N information that it fairly and reasonably ought to have given.

I recognise Mr and Miss N's testimony is that during at least one of the calls with RBS, Mr N referred to the fact they considered moving the funds to another account elsewhere but decided there was no need as there was little difference in interest between the accounts. They think the very nature of Mr N's comments to RBS demonstrated that they were proceeding on the misunderstanding that the account paid interest and RBS therefore had a responsibility to correct this obvious misapprehension.

And on a fair and reasonable basis, if a conversation had made it reasonably clear that Mr N wrongly thought the account paid interest, and the call handler had sufficient knowledge to recognise this, then I might agree that the reasonable response would be for RBS to clarify the matter. But to conclude RBS acted unfairly in not doing so, I would need to be satisfied that Mr N's lack of understanding was obvious within the call. And I'd note there is no evidence to support Mr N's testimony that it was.

I've considered whether Mr N's testimony alone is enough nonetheless, but I am not persuaded it is.

I say this noting Mr N hasn't said he explicitly told RBS that he understood the account paid interest. Instead, Mr N's recollections of this conversation are that he was comparing this account to an external account offering similar rates of interest. I'm aware Mr N believes he

made it clear within this conversation that he thought the RBS account paid interest. But I think the lack of an explicit statement is relevant when I'm deciding what I think is more likely than not to have happened, as it leaves open the possibility that Mr N's comments could have been interpreted differently by the RBS advisor.

In addition, there remain aspects of Mr N's testimony which lead me to find it less persuasive. For example, Mr and Miss N say interest on the account was one of two key factors in their decision making at that time (which is why it was mentioned to RBS) but this seems at odds with the fact they didn't check to see if their current account paid interest or what the interest rate was (particularly given they have said they were infrequent users of the account and didn't review in detail the documentation they were being sent). And this leads me to question whether interest was as relevant a consideration to their decision making at that time as they now recall.

And so, I cannot fairly conclude, on the basis of Mr N's testimony alone, that his lack of understanding was reasonably apparent such that RBS can be said to have acted unfairly in not correcting this misunderstanding.

Having carefully considered all of the available evidence, I'm not persuaded RBS acted unfairly here.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N and Mr N to accept or reject my decision before 3 September 2025.

Jade Cunningham
Ombudsman