

## **The complaint**

Mr L complains The Royal Bank of Scotland Plc (“RBS”) closed his account; delayed and placed unnecessary barriers to reclaiming his funds; and should have notified him about the closure using different channels given he lives abroad, and the availability of modern technology. Mr L adds that RBS’ actions are discriminatory.

Mr L says RBS’ actions have caused him significant distress, inconvenience, and loss of investment opportunity.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Mr L resides abroad. In February 2024, RBS say it sent Mr L a letter to notify him it had decided to close his account due to reducing the number of countries it services its customers. Mr L says he never received this letter as letters typically don’t reach him given the limitations and the way postal services operate in his country of residence. Mr L was also unhappy with the process to reclaim his funds which he says was delayed and caused him financial loss.

Unhappy, Mr L complained. RBS didn’t uphold Mr L’s complaint. In summary, the main points it made were:

- It’s taken the commercial decision to no longer offer banking services to customers residing in certain countries abroad. RBS are aware Mr L is a UK citizen, but the decision is based on his residence and not nationality. RBS hasn’t acted discriminately in doing so.
- RBS used the UK postal services to send notification and its isn’t responsible for the local postal service abroad. RBS has sent the closure notification as required.

Mr L referred his complaint to this service. I’d like to assure Mr L that I’ve read all his submissions very carefully and note the impact he says RBS’ actions had on him including with receiving his UK pension payments and losing out on a lucrative investment opportunity in the country he lives in. I also note he says RBS cannot deny an individual access to funds they have legally acquired.

One of our Investigators looked into Mr L’s complaint, and they recommended it wasn’t upheld. In summary, their key findings were:

- RBS closed Mr L’s account in line with its terms and conditions. And it was within its rights to use post as its method of contact, and it gave him reasonable notice of the closure.
- RBS isn’t responsible for any postal issues. It is responsible for sending the

correspondence which it did. RBS also provided Mr L reasonable time to move his funds.

- RBS us under no obligation to send notice using any other method of communication. And RBS clearly detailed the process to reclaim funds in its letter as an alternative to customers who don't move their funds before closure. So, RBS hasn't done anything wrong.
- RBS doesn't need to compensated Mr L for any financial loss he may have sustained as its not done anything wrong.

Mr L didn't agree with what our Investigator said. Some of the main points he made in response, which he hadn't done so before, were:

- RBS uses electronic methods of communication like email for special offers or term changes, so it should have sent him closure notification in the same way. RBS' use of postal services, especially for foreign bound communication, is outdated and not in keeping with modern times.
- The reclaim team were already in possession of Mr L's details to release the funds from a related business entity to it, so it should have used this information and released the funds sooner.

Our Investigator explained RBS was entitled to send a letter and provided Mr L with sufficient notice. And RBS requested the documents to release funds after closure in the notice letter. Also, the other bank, though under the same group, was a separate entity who follow its own process. Our Investigator also explained this service isn't the regulator, so it can't tell a bank to change its policy.

As there was no agreement, this complaint has been passed to me to decide.

### **What I've decided – and why**

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr L and RBS have said before reaching my decision.

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 have decided not to uphold this complaint. I'll explain why.

RBS is entitled to close an account just as a customer may close an account with it. But before RBS closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which RBS and Mr L had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

RBS has sent me a copy of the letter it sent Mr L. I note it gave Mr L three months' notice and was addressed correctly. RBS also explained that it was doing so as it had decided to not service customers who reside in certain countries abroad. I'm satisfied RBS acted in line with the terms of the account, and its decision to so was based on legitimate commercial discretion that it's entitled to exercise.

That brings me to one of Mr L's key arguments; that is, that RBS should have emailed him or used another communication channel as he didn't receive the post probably because of postal issues in the country he lives in. RBS isn't under an obligation to have sent Mr L the notice of closure letter by email, and important letters like this are typically sent in the post. I note Mr L hasn't said he had told RBS to communicate electronically as his preference due to such issues, nor have I seen any evidence of such a preference being made to RBS. So taken in the round, I'm satisfied RBS hasn't done anything wrong in the way it communicated its decision to close the account. Nor can I hold it responsible for any issues with the postal service.

Mr L says that RBS' delays in letting him reclaim the funds caused him added distress, inconvenience, and financial loss through loss of investment opportunity. RBS followed its defunding process as set-out in its closure letter. So, it initially sent a cheque in June 2024 after the closure date passed, which it cancelled in July 2024. After receiving all of Mr L's required reclaim documentation, the funds were released on the same day.

I should point out that the team dealing with the reclaim process are part of RBS and not a separate entity. Having carefully considered these points, I'm satisfied RBS acted in a timely manner, and didn't set unfair obstacles for Mr L to overcome. I say that because RBS is separate to the other entity Mr L has said he had an account with and who held the documents it needed. So, RBS has its own separate processes and security obligations. And asking for the information it needed before releasing the funds ensure it protects itself and its customers from any potential financial harm.

Mr L says RBS' actions were discriminatory. He hasn't explained exactly how RBS have done this and on what basis. I want to make clear I do not doubt how genuinely Mr L feels about this matter and the upset RBS' actions have caused him. While I appreciate this is Mr L's perspective, it is not my role to decide whether discrimination has taken place as a matter of law – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr L has said when deciding what I think is the fair and reasonable outcome. But after doing so, I've not seen evidence to indicate Mr L was treated unfairly.

As I don't think RBS has done anything wrong in the way its acted, I see no basis in which to award any compensation for the distress, inconvenience and financial loss Mr L says he's suffered.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 April 2025.

Ketan Nagla  
**Ombudsman**