

## **The complaint**

Mr E is unhappy that The Royal Bank of Scotland Plc (RBS) closed his account and didn't return some of the funds.

## **What happened**

Mr E complained to RBS following the bank's decision to close his account around April last year. Mr E is unhappy that RBS didn't provide him with notice that it would be closing his account. He's also unhappy that the bank didn't return the funds that were in his account at the time – Mr E says he had over £1,800 in his account at the time.

Mr E also points to the service he received from RBS as being poor. He says that he had to chase the bank for around 10 days after his account was restricted and that RBS initially created the expectation that it would return his funds, only to later advise that his account had no remaining balance.

Responding to the complaint, RBS explained that it had closed Mr E's account in line with its terms. The bank also said that it returned the remaining funds to source. RBS also apologised for the service issues Mr E complained about.

Remaining unhappy, Mr E asked this service to review his complaint. Mr E says RBS should've given him an opportunity to prove his entitlement to the funds in his account. To resolve his complaint, Mr E wants RBS to return the funds to him.

During our investigation, Mr E explained that he used his RBS account for funds related to cryptocurrency trading. To support this, Mr E provided records from the cryptocurrency platform he uses and an order confirmation for some of the payments he received.

One of our investigators issued their view on Mr E's complaint, explaining that RBS had closed his account fairly. The investigator didn't find cause to ask RBS to return the funds or do anything more in relation to this complaint. The investigator further acknowledged Mr E's concerns about the level of service RBS provided. But they recommended RBS didn't need to take any further action.

Mr E doesn't agree as he feels he's been treated unfairly because RBS didn't provide him with an opportunity to prove his entitlement to the funds. Because Mr E doesn't agree, the complaint has been passed to me to decide.

## **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 empathise with Mr E as I can see from his submissions that the return of the funds is important to him. And it's apparent that he's gone to some length to try and have the funds returned to him. Having reviewed everything, I'm not upholding this complaint. I know Mr E will be disappointed, so I'll explain why.

RBS has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. RBS may need to review and restrict accounts to comply with these responsibilities.

RBS has provided me with information to show why it reviewed Mr E's account. Having considered this, I'm satisfied the bank acted in line with its regulatory obligations.

RBS is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that RBS can close Mr E's accounts by giving him at least two months' notice. In certain circumstances, the bank can also close an account immediately.

Based on what I've seen, RBS closed Mr E's account immediately. And given what I've seen, I'm satisfied that RBS acted fairly and in line with its terms and conditions when doing so. The bank is under no obligation to explain why it made this decision.

It's understandable why Mr E says he should get a detailed explanation from RBS about the reasons for its actions - including why he thinks he hasn't been treated fairly under the Financial Conduct Authority's principles. But some of the information RBS has provided is information I consider should be kept confidential.

Treating this information in confidence is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook. DISP 3.5.9R states:

*"The ombudsman may:*

*(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;*

*(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate."*

I've accepted the information RBS has provided in confidence – which establishes its reasons for closing Mr E's account. The description of that information is it is of a commercially sensitive nature, and I'm satisfied it shows RBS closed Mr E's account fairly.

Although I think RBS acted fairly - having considered the information RBS has provided - I think it could've done more before making its decision to send the funds in Mr E's account back to its source. I think RBS could've made further enquiries with Mr E about how he used his account and asked that he provides information to prove his entitlement to the funds in his account.

Our investigator asked Mr E for information along these lines. Mr E has submitted some information, which he says is proof of his entitlement to the funds. I've reviewed this information and I've weighed this up against the information RBS has sent us in confidence to explain its concerns. Having done so, I'm satisfied RBS has acted fairly and in line with its obligations.

I don't think that RBS's failure to make enquiries makes a difference here. Had RBS asked Mr E questions in line with what I've said above, I think it's more than likely that it would've reached the same decision – which is to return the relevant funds to source. So I won't be asking RBS to do anything because of this.

I acknowledge Mr E's concerns about the service he received from RBS. Mr E expected follow up communications from the bank that failed to take place and I can see he contacted RBS by phone and email multiple times to obtain clarity on what was happening. I appreciate that this would've been stressful and would've been an inconvenience to Mr E.

I agree the service was poor. But after considering what RBS has said and the content of the bank's review, I don't find awarding compensation would be fair or appropriate. I understand Mr E would want to know the information I've weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under DISP.

Mr E also suggests there's been mistakes in the information the bank has submitted to us. But I'm satisfied that I've seen enough evidence to conclude that RBS has acted fairly.

To conclude, I'm satisfied RBS acted fairly when it restricted and closed Mr E's account. Although I understand Mr E's stance that he feels he's evidenced his entitlement to the funds, I'm satisfied that RBS acted fairly when it retained the funds and returned it to source.

### **My final decision**

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 February 2025.

Abdul Ali  
**Ombudsman**