

The complaint

Miss C complains that, for a number of years and without her knowledge, The Royal Bank of Scotland Plc (“RBS”) allowed a third party to have access to her account information.

What happened

A summary of what happened is below.

Miss C recently queried a transaction on her RBS current account. She was dismayed when the bank told her it was authorised by a third party (Miss C’s mother) who had been able to access Miss C’s account through her own online banking service.

Although the transaction was reversed and Miss C’s mother removed from the account, Miss C remained upset, particularly when the bank explained that her mother had retained access from the account being opened when Miss C was a child. Over that time Miss C’s child account had changed first to a student account, and latterly a full current account. Miss C complained to the bank that her privacy had been violated, which had caused her distress – exacerbated by the nature of her relationship with her mother and then the bank’s handling of the situation.

RBS acknowledged Miss C’s distress. It offered her £200 compensation over two of its responses but didn’t think it had acted incorrectly in relation to Miss C’s mother retaining access to Miss C’s account. The bank said that it didn’t remove access as a matter of course when a child reached the age of maturity. Instead, Miss C and/or her mother would have needed to request removal.

Miss C was dissatisfied with the bank’s position and referred the matter to us. Our investigator felt RBS should have removed Miss C’s mother from the account when Miss C turned 18 (as I understand it, the point at which the account became a student account) or informed both parties of the situation. He thought either way, the problem would have been avoided. But because neither of these things had happened, the situation had persisted for more than ten years.

The investigator considered the level of distress Miss C had experienced warranted greater compensation than the bank had offered. He proposed an additional £150, to which RBS agreed. However, the bank maintained its view that it hadn’t done anything wrong.

Our investigator explained to Miss C that our role didn’t involve fining or punishing the businesses we cover, and she has broadly accepted the investigator’s conclusions. Nevertheless, both parties have said they would like to have a formal decision and so the dispute has been passed to me for review and determination.

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 share our investigator's opinion that it would be appropriate for RBS to increase its settlement payment to Miss C, so that it pays her £350 in total. I think that sum is a fair reflection of the distress she felt when she discovered what had happened. Although I'm of course conscious of the extended period over which Miss C's mother had access to her account information, by her own evidence Miss C was unaware throughout that time, and so I can't properly say that this has an impact on the distress she experienced.

Although RBS has expressed the view that it hasn't done anything wrong, I think it could – and should – have done more to ensure Miss C was aware of the account access arrangements. It had at least two opportunities to do so. Firstly, at the time Miss C's account became a student account. And later, when it became a full current account. On both occasions, high level standards set out by the Financial Conduct Authority ("FCA") included the following principles:

- A firm must pay due regard to the interests of its customers and treat them fairly.
- 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.

Clearly it was in Miss C's interest to know of any other party that had access to her account. That was an information need the bank ought to have understood Miss C would have had in the circumstances, even if she didn't herself know it.

While I accept the bank's contention that it could not presume that Miss C's mother should be removed from the account, it also shouldn't have presumed that she should be retained on it. The appropriate action for the bank to take would have been to take steps to ensure Miss C was able to make an informed decision about the accounts she was opening. That would have enabled RBS to establish whether Miss C required her mother to have authority to act on the account, and importantly, whether Miss C consented to her personal banking information being made available to her mother.

Because neither of these steps appear to have been taken, I can't rightly say that RBS's actions were consistent with the FCA Principles I've mentioned. I don't need to direct the bank to take action in relation to Miss C's account, as I understand her mother no longer has access. I appreciate Miss C has strong feelings about other RBS customers who might find themselves similarly affected, but I've no general power to direct a bank to change its processes or procedures.

Nevertheless, given the situation Miss C found herself in and the findings I've set out here, I'm sure RBS would want to look at its processes to see if any improvements might be made to the information it provides to customers upgrading their account in similar circumstances – particularly in light of more recent expectations set out in the FCA's Consumer Duty¹.

My final decision

For the reasons I've explained, my final decision is that to settle this complaint The Royal Bank of Scotland Plc must pay Miss C compensation totalling £350 (inclusive of any amounts already offered/paid).

¹ The Consumer Duty was introduced by the FCA in 2023. As such it has no bearing on the events that are the root cause of Miss C's complaint. But I mention it here to remind RBS that the Duty sets out expectations in terms of Consumer Support and Understanding that might otherwise have been relevant considerations in this type of complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 October 2025.

Sarita Taylor
Ombudsman