

The complaint

A charity I'll refer to as L complains that the Royal Bank of Scotland Plc closed their accounts. They'd like the accounts to be reopened and compensation for the disruption.

What happened

The facts of this case are well known and largely not in dispute, so I will cover them only briefly here. L held an account with RBS, which they used to receive funds. But in 2022 the accounts were closed.

The trustees of L discovered this in April 2023 and complained, saying any closure letters were sent to an old address they had updated. RBS responded to say they sent letters in advance of the closure to the address they held on file and asked for details to enable them to issue a cheque for the balance. When they receive no response, the account had closed. But they offered £250 for the inconvenience caused.

In 2024 the trustees of L complained again, as they had found that RBS had written to their correct address. RBS agreed they had not sent the letters to the right address, but said as the type of account L held wasn't one they offered anymore they couldn't reopen the account. This time they offered £500 compensation for this, and other service failings.

Dissatisfied with this answer the trustees referred L's complaint to our service. One of our investigators looked into what happened but thought the £500 on offer was fair. The trustees disagreed, so the complaint has now 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.

Having done so, I'm satisfied the £500 offered by RBS is fair. I'll explain why.

Firstly, it doesn't appear to be disputed RBS issued the closure notices to the wrong address – RBS have now accepted this. So, I think L's trustees weren't aware of the closure in advance.

Briefly, the reason for the closure was when L's account was originally set up it was a personal trust account – which isn't actually accurate for L, but this has meant over the life of the account L hasn't been charged any fees. But RBS made the decision to close all accounts of this type. This is a commercial decision RBS are entitled to make, and so the closure of L's account was unreasonable. So, I'm not satisfied it would be reasonable for me to direct RBS to reopen the account – L's account was always going to close, and the trustees would always have had to decide what to do with the funds.

That said, clearly RBS haven't provided the required notice. And this means the trustees didn't have time to either transfer the funds elsewhere or open a new account with RBS. This will have caused disruption to L, and it's right that RBS pay some compensation.

When gauging the impact of the disruption though, I can't see L's account was used often. The only transactions going back several years were the receipt of dividends, which were then transferred to savings. I've not seen anything to suggest the account was used for any other purposes, or there was a specific use these funds were needed for. So, I see the impact itself isn't extensive.

I've also considered that L hasn't had access to these funds – although I do note RBS have provided the trustees with information on how to recover the funds. And I can see our investigator has provided the same. So, I'm not persuaded delays in releasing the remaining funds are down to RBS.

Taking this into account, I'm satisfied that the £500 RBS have offered is reasonable, so I wouldn't look to increase this.

My final decision

My final decision is that I uphold this complaint, and I direct Royal Bank of Scotland Plc to pay L £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 23 February 2026.

Thom Bennett
Ombudsman