

The complaint

B is a company, represented in bringing this complaint by its director, Mr S. It complains that The Royal Bank of Scotland (“RBS”) wrongly restricted the operation of its account.

What happened

On 11 August 2025 B received a payment of €13,000 to his Euro account. Mr S has explained that the payment was from a German court. B was however unable to access the money or transfer it to a different account.

Mr S contacted RBS for an explanation. The bank explained that, since there had been no transactions on B’s account since 2016, a dormancy marker had been placed on it. That meant that additional security checks were needed before the funds could be released. When Mr S provided more information about the payment, the account restrictions were lifted. The bank acknowledged that it had not dealt with Mr S’s enquiries as well as it should have done and offered B £350 in recognition of that.

Mr S did not think that was sufficient to resolve matters. He thought £1,000 would be a more appropriate level of compensation. He referred the matter to this service, where one of our investigators considered what had happened. In her initial assessment, the investigator concluded that the bank’s offer was fair in the circumstances. In doing so, she noted that she could not make an award in respect of any distress or inconvenience suffered by Mr S in his personal capacity; she could only consider the impact on the company. She also said that she was satisfied that RBS acted fairly in reviewing the payment, given the lack of activity on the account over many years.

Mr S, on behalf of B, did not accept the investigator’s assessment and asked that an ombudsman review the case.

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, however, I’ve reached the same conclusion as the investigator did, and for similar reasons.

In its response to the complaint, RBS explained that it needed to carry out further checks on the payment to protect itself and the account from possible fraud. Mr S says that there was no risk of fraud, since the payment had come from a legitimate source.

In my view, it was reasonable to classify the account as “dormant”, given there had been no activity on it for several years. I accept of course that payments could have been made to the account and that B received account statements. But that does not make the account active in the same way an account which is used regularly can be said to be active.

It is also true that an account which is inactive for a lengthy period does pose a greater fraud risk than one which is active. It was not unreasonable therefore for RBS to ask for information about the payment before releasing it. Most UK banks would take a similar approach. I accept of course that the payment was legitimate, just as RBS did when Mr S provided the necessary information about it. But it was not unreasonable to check with him first.

RBS accepts that it did not handle things as well as it should have done, but I agree with the investigator that the offer of £350 was reasonable in the circumstances. It is in line with awards made in comparable cases and with this service's published guidelines. I simply leave it to B to decide whether to accept it.

My final decision

For these reasons, my final decision is that I do not uphold B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 12 February 2026.

Mike Ingram
Ombudsman