complaint

Mr H complains that The Royal Bank of Scotland plc put a block on his account and took too long to remove it. It cancelled a direct debit without telling him. He asks for compensation of about £8,700.

background

RBS put a restriction on Mr H's account following a review. It says it needed information from Mr H. Mr H says:

- RBS didn't tell him when it restricted his account in September 2014.
- He doesn't understand why RBS needs identity documents. The account has been open for many years and it hasn't asked for these documents before.
- RBS cancelled a long standing direct debit without telling him.
- He wrote to RBS in late 2014 asking for a statement and to change his address. He didn't receive a reply so wrote again in 2015. RBS replied but didn't mention the restriction on the account or its request for identity documents.
- He visited RBS a number of times between March and May 2015 as RBS repeatedly lost his documents. The block was removed from his account in late July 2015.

The adjudicator did not recommend that the complaint should be upheld, saying the compensation paid by RBS was fair and reasonable. The adjudicator said Mr H's account was linked to a third party, who I will call Mr Y. The account hadn't been updated when Mr Y died in 2011. Mr H also had links to a high risk country. RBS acted properly when it placed restrictions on the account and asked for additional information. But RBS lost Mr H's documents, he had to make a number of visits to the branch and RBS should have removed the restriction sooner. The adjudicator said the £225.20 compensation paid by RBS for Mr H's costs and £500 for his inconvenience was fair and reasonable in the circumstances.

Mr H did not agree, saying the compensation is inadequate. He spent considerable time visiting RBS branches and trying to resolve the issues and would like compensation at his hourly rate. Mr H says he did not receive letters from RBS about the restriction on the account. He also wants to know how RBS could provide copies of letters to this service when it told him it did not have them.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

RBS has to ensure it holds complete and up to date records for its customers. I don't think it made an error when it reviewed Mr H's account and found it needed more information. It put restrictions on Mr H's account in accordance with its processes until the information was provided.

I understand Mr H's frustration that RBS can't provide copies of letters sent to him. Banks use automated systems and don't keep copies of all letters sent to customers. I would expect RBS to have records showing that letters were sent.

I've seen RBS's internal notes and I think it's likely RBS replied to Mr H's letter in late 2014. I haven't seen similar evidence that RBS wrote to Mr H in late 2014 telling him the account was restricted and asking for identity information. Because the account was restricted, direct debit payments weren't made. While RBS says it would usually write to customers when a direct debit isn't paid, I haven't seen evidence that RBS did so in this case.

Once Mr H found the account was restricted he visited RBS a number of times to provide the information it requested. RBS lost copies of his documents and the service it provided to Mr H was poor. RBS made errors in its letters to Mr H. I have no doubt this caused unnecessary inconvenience to Mr H. He incurred travel and other costs and spent time sorting the matter out. I think it's fair that RBS compensates Mr H for his costs and the inconvenience caused. I think £225.20 compensation paid by RBS for Mr H's costs and £500 for his inconvenience is fair and reasonable in the circumstances. I wouldn't usually ask a bank to pay compensation based on a customer's hourly rate and I don't think the circumstances make it reasonable to do so here.

my final decision

My decision is that I do not uphold this complaint as I find the compensation paid by The Royal Bank of Scotland plc is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 February 2016.

Ruth Stevenson
ombudsman