

## **complaint**

Mr R complains about the systems of The Royal Bank of Scotland Plc in relation to recurring transactions. He is unhappy that the bank doesn't alert him to recurring transactions that are being made, whether by annotation on the statement or any other means.

## **background**

Mr R wrote to RBS specifically about a payment that was being made regularly to an online retailer. But he feels the bank should do more to alert customers to such recurring payments, make it easier for customers to cancel them, and establish legal safeguards for consumers in respect of such payments. He questions why the bank doesn't stop the transactions itself but relies on its customer to initiate that, in writing.

Our adjudicator said that his role in this matter was potentially limited by this service not carrying out a regulatory function. He acknowledged that there was a degree of inconvenience that would be suffered by a customer who has to make a request by post, especially when abroad. But he didn't think he could conclude that RBS was acting incorrectly by not allowing contact by an alternative method, in this particular regard.

Mr R considers that the bank should do more and has asked that the complaint be reviewed.

## **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 an account holder provides authority to a third party to ask the bank to debit the account of funds, the bank has a primary responsibility to process that authorised debit transaction and provide the funds to the third party that the account holder is seeking to pay.

Of course, banks are expected to have in place appropriate security arrangements in order to try to prevent fraud; and it will decide what payments to process immediately based in what it knows about actual or potential risks. And a bank will not always be able to process payments that it is instructed to make, for a range of reasons.

But it remains that a bank has that primary responsibility to allow its customer to access and use their funds as they wish. And an account holder is able to provide authority for a single debit to be made, for a third party to make a series of repeated debit requests; or indeed a continuous payment authority can be established.

In light of what I've said, I can't say that the bank acts wrongly, in principle, in processing recurring payments and that it has any obligation to repeatedly indicate to its customer that recurring payments are taking place; or seek their re-confirmation that the payments are authorised.

Of course, if a debited payment from an account is claimed not to have been properly authorised, there are procedures that can lead to the account being credited again. But I can't agree, even with the bank having procedures to try and identify fraud, that it is its responsibility to check with its customer that recurring payments are authorised or that it should make special reference to them on a statement.

Ultimately, an account holder must accept responsibility for making sure that they're happy with the transactional activity on an account and raise with the bank any concerns they have, through the procedures I've previously mentioned.

As regards the matter of Mr R having had to write to the bank to cancel a recurring payment, I don't consider I can fairly and reasonably say that the bank acted wrongly in only allowing that mode of communication for Mr R to send that particular message, from abroad.

Given my findings and conclusions, I make no award against the bank and don't require it to take any other action.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 April 2016.

Ray Neighbour  
**ombudsman**