

complaint

Mr F complains that The Royal Bank of Scotland Plc did not forward a payment to his new bank account with a third party.

background

Mr F switched his account from RBS in February 2015. In August 2015 he was sent a payment of £38 using the PAYM service (payment by mobile). RBS credited this to a savings account he still had open. Mr F said that instead it should have redirected the payment to his new bank account.

The adjudicator did not recommend that the complaint be upheld. She said that:

- RBS did not have a process in place to tell Mr F what to do with a PAYM registration when he switched his account.
- The PAYM website said that a customer would need to change an account registration in these circumstances.
- RBS had deregistered Mr F's current account from his mobile phone banking application when the account was closed.
- Mr F remained an RBS mobile banking customer.
- In the absence of any other instructions his savings account became the default account.
- As a result when the payment was sent to him, it was credited to his savings account.
- She did not think that Mr F had been caused any financial loss as a result of what happened.

Mr F did not agree. He said that he relied on the current account switching guarantee that said that any payments would be forwarded on for 36 months. He said he had no idea where the payment had gone. He had to spend time trying to find out where the money was.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

A person sending a payment with PAYM- here Mr F's brother- does not need to know the destination bank account number. The money is paid to whatever account is registered against the recipient's mobile telephone number. So this makes the payment different than say a standing order which would specify the account number.

It would have been helpful if either RBS or the new third party bank had made clearer that in order to receive PAYM payments to the new account Mr F needed to change the registration. But that was the requirement and clearly Mr F had not registered for PAYM with his new bank. As a result I don't see that there was a mechanism to forward the payment onto the new bank. And that's especially as the initial payment instruction is based only on the mobile number.

So in this case I'm unable to conclude that RBS made a mistake in not forwarding the payment to the new bank account. I don't think that compensation is appropriate as a result of what happened.

my final decision

In light of the above my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 January 2016.

Michael Crewe
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