complaint

Mr D complains that The Royal Bank of Scotland Plc (RBS) unfairly declined a payment from his account and then cancelled his debit card.

background

In September 2015, Mr D tried to pay his mortgage over the phone using his debit card. But the payment was declined because RBS placed a suspicious activity flag on Mr D's account.

Before this service became involved, RBS offered to pay £100 compensation and £20 towards Mr D's call costs. Our adjudicator didn't recommend that Mr D's complaint be upheld. He was satisfied that RBS acted appropriately when it suspected fraudulent activity on Mr D's account. Our adjudicator agreed that RBS made a mistake in a text message. But overall, he was satisfied the bank's offer was fair.

Mr D is unhappy with our adjudicator's conclusions. He is concerned over what triggered the fraud alert. RBS said initially that the alert wasn't due to the mortgage payment. The bank now says the mortgage payment did trigger the alert. As this is the case, Mr D thinks RBS overreacted when it cancelled his debit card. Mr D points out that he has paid his mortgage the same way for more than seven years, so doesn't understand why this time would've caused such concern to RBS.

my findings

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 agree with the conclusions of our adjudicator.

I appreciate that RBS has given Mr D some inconsistent information about the reason for placing the marker on his account. RBS's security measures are confidential so I can't require the bank to give Mr D a fuller explanation of why the block was placed on his account. But I'm satisfied that RBS didn't do anything wrong when it declined the payment.

RBS agrees that the text it sent was wrong. It led Mr D to expect to be able to use his card again shortly after he received it. The bank apologised for this mistake and offered £100 compensation together with £20 call costs. I find this fair and reasonable and in line with the kind of award this service would make. RBS sent Mr D a replacement card the same day. And Mr D was able to make his mortgage payment the same day, so hasn't suffered any other financial loss.

I appreciate that Mr D was embarrassed when the payment was declined. He also spent longer trying to make the payment and speaking to the bank so this affected his working day. But as I don't find the bank was wrong to decline the payment due to its security measures, I can't reasonably require RBS to pay more than it's offered.

my final decision

My decision is that I don't uphold this complaint in the sense I find RBS's offer to pay a total of £120 is fair and reasonable. I leave it with Mr D to decide whether to accept this offer in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 February 2016.

Gemma Bowen
ombudsman