

The complaint

A company I'll call "R" complains about restrictions placed on its account by The Royal Bank of Scotland Plc, and about the service it received from the bank concerning a business profile review. R is represented in this complaint by its director, Mr F.

What happened

In December 2021 RBS wrote to R to ask it to complete a business profile review. It followed its original request with further letters in January and February 2022. On 15 February 2022, having received no reply, RBS placed a restriction on R's account.

The restriction came as a surprise to Mr F, who contacted RBS. It turned out that RBS had sent the letters to an out-of-date address for R. Although Mr F had updated the address, it hadn't carried across properly on RBS's system. Mr F also complained about the way a member of RBS's staff had spoken to him on the phone, and about the problems he'd had logging onto the Business Profile portal. RBS apologised that its communications with R had fallen short, and that this had caused inconvenience to R. It credited R's account with £250 and extended the deadline for completing the review until 15 April 2022.

On 30 March 2022 Mr F contacted RBS to complete the business profile review over the phone. The first stage of the review was completed successfully, but RBS explained that verification of R's trading address would be needed, as the address on its VAT records wasn't up to date. Over the next few weeks Mr F spoke several times to RBS about the further information it needed.

On 19 April RBS's Business Profile Review Team wrote to Mr F, reminding him that it needed further information to complete the business profile for R. It said that if it didn't receive the information by 15 May it would need to restrict access to R's accounts. If that happened, R wouldn't be able to deposit, withdraw or transfer money, and RBS wouldn't be able to process any standing orders. It set out contact details if Mr F needed help.

In an email to Mr F on 5 May 2022 RBS said that the problem with the trading address had been resolved, and the only outstanding requirement was a declaration of beneficial ownership and structure chart. It attached templates for R to use and guidance on how to complete them. It explained that Mr F could, as a director of R, certify the documents himself unless R had nominee shareholdings. And it reminded Mr F that R needed to submit the completed documents by 15 May, but if he needed more time, Mr F should get in touch and an extension could be arranged.

On 13 May – the last working day before the deadline – Mr F emailed RBS, asking for a few days' extension to the deadline. The person to whom the email was addressed was on leave and an out-of-office reply provided an email address that Mr F could use to contact her colleagues.

Not having received the information, RBS placed a restriction on R's account on 16 May. Mr F phoned RBS the following day and was told that it could take up to 48 hours for the restrictions to be lifted. He asked for help in finalising the remaining information that was

required to complete the review. The first available date for a call with an analyst from the review team was a week later. In the event, R managed to provide the information without speaking to the analyst, and the restrictions were lifted on 18 May.

Mr F says he repeatedly asked RBS for help in completing the review, but help was only offered on one occasion, when he was busy and couldn't speak. He's commented that one of the people he spoke to at RBS told him they didn't know how to go about completing the review. And he's dissatisfied that it wasn't until after the account had been restricted for the second time that he was told that RBS had a dedicated team to help customers with business profile reviews.

One of our investigators considered the complaint but didn't think it should be upheld. He said, in summary, that he thought the £250 that RBS had paid R for the first restriction was enough to reflect the inconvenience R had experienced. And although he agreed that RBS could have done more to help R during the review, he thought Mr F could have contacted RBS sooner than he did. So, he thought it had been fair to place the restriction on R's account.

Mr F, on R's behalf, didn't agree with the investigator's view, so the complaint's been passed to me.

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.

RBS has explained, and I accept, that it has a regulatory obligation to maintain and update its customer records periodically. If it doesn't receive the necessary information by the specified deadline, it puts restrictions on the account in order to prompt the customer to get in touch.

R experienced inconvenience when its account was restricted for a couple of days in May 2022. But I don't think RBS can fairly be blamed for that inconvenience.

I'm satisfied that RBS explained clearly what was needed from R in order to complete the review. The deadline of 15 May, and the consequences of not meeting it, were set out in RBS's letter to R of 19 April 2022.

In an email to Mr F on 5 May 2022 RBS stated clearly that only two documents were outstanding. It attached templates for both documents, with instructions on how to complete them. It reiterated the 15 May deadline for providing the documents, and it said that if Mr F needed more time, he should let it know and a further extension could be given.

That was on a Thursday, ten days before the deadline. It wasn't until the following Friday, the last working day before the deadline of Sunday 15 May, that Mr F contacted RBS to ask for an extension. I think it more likely than not that he'd have received the out-of-office message from the person he sent the email to. So I think he'd have been aware that she wouldn't see the email before the deadline. Further, I've seen nothing to suggest that Mr F contacted anyone else at RBS later that day. And in the absence of any confirmation of an extension from the bank, it would have been reasonable to conclude that the 15 May deadline remained in place.

I can understand Mr F's frustration that one member of RBS's staff to whom he spoke didn't know what was required to complete the review. He's also commented that it wasn't until 17 May that he was told that RBS had a dedicated team to help with business profile reviews, but the first available appointment to speak to a member of the team wasn't for a week.

But the business profile review team had been mentioned in several letters and emails to Mr F before 17 May. The fact that there would be a wait to speak to someone from the review team wouldn't have mattered if Mr F hadn't left it so late to ask for an extension. And in the end, he managed to provide the necessary documents without speaking to the team. Once RBS received those documents, it lifted the restriction within a reasonable time.

It isn't in dispute that RBS was at fault for not updating R's address properly on its systems. And I accept that that led to R's account being restricted in February 2022. For that reason, I partially uphold the complaint, but I consider the £250 that RBS credited to R's account to be fair to reflect the inconvenience that R experienced as a result. However, I'm not persuaded that I can fairly hold RBS responsible for the fact that the account was, again, restricted in May 2022 or for any further inconvenience that R experienced. And I don't consider that I can reasonably require it to do anything more to resolve this complaint.

My final decision

My decision is that I uphold this complaint in part. But as The Royal Bank of Scotland Plc has already paid what I consider to be fair compensation to R, I don't require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 26 October 2023.

Juliet Collins
Ombudsman