

## The complaint

H complains about the way The Royal Bank of Scotland Plc dealt with it following its decision to close H's account.

H is represented in this complaint by its director, Mr H.

## What happened

RBS asked H to complete a "Know Your Customer" ("KYC") review. H indicated to RBS that it wasn't willing to complete the review, and it accepted that this would lead to closure of its account.

Over the following couple of weeks, RBS wrote to Mr H to say that it needed to speak to him regarding some information it required in order to complete the review. It said that if it didn't hear from Mr H by 9 October 2022 it would restrict access to H's accounts. It said this would mean (but wasn't limited to) H not being able to deposit, withdraw or transfer funds, and RBS wouldn't be able to process any standing orders. After several further requests to H to complete the review, RBS restricted H's account in October 2022.

In April 2023 RBS wrote to H to say it had decided to end its banking relationship with H. It explained that this was because it had asked H for additional documentation which hadn't been supplied, and that it couldn't meet its legal and regulatory obligations without the information. It said:

*"Your banking arrangements ...will be closed or facilities withdrawn in accordance with our terms and conditions on or after 11 June 2023. Where applicable (if detailed below) some accounts and/or facilities will be left in place in order to service products but the accounts will not be available to you for day to day use from 11 June 2023."*

The letter said that on or after 11 June 2023 RBS would (among other things) terminate H's digital and mobile banking services. And it said that H would need to complete the enclosed payment instruction form to obtain any credit funds held in its accounts.

H complained to RBS. In its response to the complaint RBS said that as an alternative to completing the money transfer form enclosed with its previous letter, he could visit his local branch and complete a closure form, then the money could be transferred into an account of Mr H's choosing.

RBS didn't receive a completed transfer form from H. So it sent H a cheque for the balance in its account a couple of weeks after the account closed.

Mr H says that RBS told H that it would still be able to use online banking in the period leading up to the closure of the account, but in the event, it was unable to do so. This meant H couldn't transfer the closing balance on the account. H is also dissatisfied that it was difficult to contact RBS, and that RBS didn't send it the right forms to enable it to transfer the

closing balance.

Mr H believes that RBS should pay compensation of £735 for the time he's spent dealing with these issues, based on an hourly rate of £49.

One of our investigators considered the complaint, but didn't think it should be upheld. In summary, he thought that RBS had acted fairly in restricting H's account, given that it wasn't willing to complete the review. And he said RBS had warned H that it wouldn't be able to deposit, transfer or withdraw money if its account was restricted. He was satisfied that RBS had sent H the form it had requested to transfer money, but as H didn't return the form by the time the account was closed, it had been reasonable to send a cheque for the closing balance. And he didn't consider that the service that H had received from RBS merited compensation.

H disagreed 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.

Having done so, I'm not upholding H's complaint. I'll explain why.

In response to the investigator's view, Mr H has reiterated his comment that the letter RBS sent H in April 2023 said that H's account would remain open for online access for a period of time before it was closed. He says this would have given H time to transfer the money from the account and update its online accounts software. Mr H says that instead RBS was responsible for "a trail of lies, deception and downright obstruction", involving a lot of wasted time on his part.

But letters that RBS sent H in September 2012 made it clear that if H's account was restricted, H wouldn't be able to deposit, withdraw or transfer funds. H's account was restricted from October 2022. I acknowledge that RBS's letter of 12 April 2023 said that H's account wouldn't be closed before 11 June 2023 and that H's digital and mobile banking services would be terminated on or after that date. But the account was already restricted and had been since October 2022. And I don't consider that there was anything in the letter which implied that the existing restriction would be lifted pending closure of the account.

RBS said H would need to complete a payment instruction form to obtain any money it had in the account. It attached several forms to its letter of 12 April 2023. Some were, as Mr H has pointed out, for making a payment to an account abroad. But one of the forms was for making a CHAPS payment, enabling a transfer within the United Kingdom.

I understand that Mr H has spent a considerable amount of time trying to sort out the transfer of the closing balance on H's account. But RBS acted reasonably in restricting H's account and in subsequently deciding to close it, and it gave H notice of the closure in line with its terms and conditions.

I acknowledge that Mr H says he had problems contacting RBS, but the closure of an account is bound to involve some level of administrative inconvenience. In this case, the fact that the account was restricted meant that H was unable to transfer the money out of the account using online banking. But I'm satisfied that RBS had explained clearly how the money could be transferred out of H's account, and that it had provided an appropriate form to enable this to happen.

I know that Mr H will be disappointed with my decision, but I don't find that RBS can fairly be held responsible for the time that Mr H spent trying to obtain the closing balance.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 20 February 2024.

Juliet Collins  
**Ombudsman**