

The complaint

A partnership which I'll call 'P' complains that The Royal Bank of Scotland Plc (RBS) treated them unfairly by restricting and then closing their accounts.

The complaint is brought by the partners, Mr S and Mrs S.

What happened

P told us:

- The partners held personal and partnership accounts with RBS. They attempted to use their debit cards on 10 October 2022, but they were blocked.
- RBS said they'd sent a letter on 10 August 2022 telling them the account would be closed in 60 days, but they hadn't received this.
- They had tried to open accounts elsewhere but been declined, although they checked their credit file and there was no adverse information.
- They'd been caused financial difficulty as they weren't able to pay bills without access to the business account and had to borrow money from family.

RBS told us:

- It sent a letter to P on 15 December 2022, giving the partners 60 days' notice that their account would be closed which was in line with the account terms and conditions.
- It was satisfied that the decision to close the account met its legal and regulatory requirements, but it wasn't prepared to disclose the reasons it had chosen to close P's accounts.
- The accounts that P had complained about initially were the partners personal accounts and didn't belong to the partnership. The deadline hadn't been extended for closure on P's account as it hadn't been asked to do so.
- P's account and BBL hadn't been restricted and had been fully active during the 60 days' notice period.

Our investigator didn't think RBS had treated P unfairly. She said that the bank had acted in line with its terms and conditions in giving them 60 days' notice of the account closure, and it was reasonable for the accounts to be restricted at the end of this period for the closure.

P didn't agree. They said they'd only been given notice in December 2022 that P's account was to be closed in February 2023 - but hadn't been able to access the account since October. So, they asked for an ombudsman to look into their complaint.

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've decided not to uphold it. I know P will be disappointed with my decision, but I'll explain how I've reached this. P has provided lots of information and I've taken

everything into account. If I don't directly reference something in my decision, it is not because I haven't considered it – but because I've focused on what I consider to be most relevant to how I've reached my decision.

P says that it's unfair that RBS closed their accounts, but I don't agree. The bank is entitled to make the decision to terminate a relationship with a customer in the same way that a customer can choose to close their account. The terms and conditions of the accounts allow the bank to do so as long as it has given 60 days' notice – which I've seen was the case here.

P says that they received the letter from RBS giving them 60 days' notice of the account closures in December 2022, so this isn't disputed. However, they feel the bank acted unfairly as they say these accounts were removed from their banking app and they were unable to make credits or payments from 11 October 2022 – not February 2023 as the bank claimed. P is also unhappy that RBS decided to close their account without giving a reason. However, the bank has provided us with the information on which its decision to restrict access to P's account and then close it was based. Having reviewed this, I'm satisfied that it was reasonable for RBS to take these actions in line with the terms and conditions of the account.

I acknowledge P says it's unfair that the bank hasn't given them the reason for the account closure, but RBS isn't obligated to share more information that it already has, and I can't fairly require it to do so. I think it's also worth noting here that the terms of P's accounts also say that there are times where it may not be appropriate for the bank to disclose the reason for the account closure. So, I don't think it's behaved unreasonably here.

I recognise that the partners feel strongly about this, and they'll be disappointed with my decision. But based on everything I've seen, I think RBS acted reasonably in closing the accounts, so, I won't be asking it to do anything more.

The partners have told us that as a result of the bank's actions they have been caused financial difficulty and I would encourage them to contact RBS about this if they are unable to meet any of their outstanding obligations held by the bank.

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 P to accept or reject my decision before 21 December 2023.

Jenny Lomax

Ombudsman