

The complaint

Mx D is a sole trader, trading as N. They complain that The Royal Bank of Scotland Plc ('RBS') treated them unfairly and in discriminatory way.

What happened

Mx D told us:

- N held a business current account and Bounce Back Loan (BBL) with RBS, it wasn't a personal account, but the bank was writing to them in their personal name which it hadn't been given permission to do.
- When they'd called the bank on 16 January 2023, the call handler had asked for a 'Christian name' which was discriminatory.
- They'd asked for all correspondence to be via post, but RBS had emailed and called them.
- The bank had given their account details to a third-party which was a data protection breach as they hadn't given permission for this.
- The bank had requested an unreasonable amount of information to renew the overdraft facility within a short timeframe.
- The bank had cancelled the overdraft but was debiting fees and interest unfairly on the account and without permission.

RBS told us:

- In 2022, Mx D missed two repayments on the BBL, so arrears emails were automatically sent. A PAYG option was applied but they haven't maintained the repayments.
- Mx D's overdraft came up for its annual review, but due to affordability concerns it wasn't automatically renewed. As the overdraft balance hadn't been repaid, the account had been passed to its Specialised Business Management Team ('SBM') and Mx D had been notified by email in November 2022. The applicable fees and charges they were incurring were therefore in line with the actions taken by the bank.
- The third party Mx D mentions is the SBM, but this is part of the bank and not a third party. Mx D hasn't provided the information required so it is following its debt recovery process through the SBM.
- It acknowledged Mx D's preferred method of contact was via post, however it was able to contact them using any details held on file including phone or email – so it hadn't done anything wrong. However, it agreed it had said it would remove Mx D's email address from its records going forward and hadn't done so correctly, so it paid £50 compensation for the inconvenience caused and had now updated this.
- When speaking to its agent on the phone, Mx D didn't confirm their personal details despite being requested and clarification being sought. It apologised if Mx D had been caused offense by the use of the words 'Christian name' as a further form of

clarification, however it wasn't intentional and was a common reference term which had been used.

Our investigator didn't recommend the complaint be upheld. He thought that RBS had taken reasonable actions when reviewing and then removing N's overdraft. He also didn't think RBS had breached Mx D's personal data as the SBM was part of the bank, or that it was unreasonable for the bank to want to verify Mx D personally. The investigator also didn't think RBS had discriminated against Mx D as he thought the agent was simply trying to clarify the information needed to verify them. He also said the £50 RBS had paid due to not using Mx D's preferred method of contact was enough to put things right.

Mx D didn't agree and asked for an ombudsman to review the complaint. They said if they emailed RBS, it didn't mean the bank could email back if their preference was postal correspondence – nor should they have to provide financial information to the bank via email as they consider these requests fraudulent. They also didn't agree the charges had been applied fairly or that the bank hadn't discriminated against them by asking for a 'Christian name'.

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'll explain why.

Mx D says RBS breached their rights by allowing the SBM to have access to their, but I don't agree. RBS has told us that the SBM is part of the bank, and I have no reason to doubt that's the case. Furthermore, I've looked at the account terms and conditions which Mx D agreed to when they opened an account for N. Those terms say RBS may share information with third parties such as debt collection agencies if it needs to do so in order to carry out its lawful business (that is, to request repayment of an outstanding debt). So I can't reasonably say it did anything wrong here.

Mx D also told us that they think it's unfair that RBS contacted them by email rather than their preference of post. I acknowledge Mx D has their contact preference with the bank set to post, but this is a 'preference', and it doesn't mean that the bank is restricted from contacting them in other ways. The terms and conditions of N's account with RBS allow the bank to contact them using any method available to it for which the bank holds up to date information, this includes email, secure messaging, and calls. Given that RBS was often replying to Mx D in the contact method they had used, I can't say the bank acted unfairly. I can see that RBS agreed to remove Mx D's email address from its records, and in error this didn't take effect across all its systems which caused Mx D inconvenience. However, I've seen that RBS apologised, confirmed this has now been actioned and paid them £50 compensation. So I think RBS has done enough here to put things right.

Mx D says that N was charged a fee for two transactions which debited the account on 16 and 17 January 2023 which was unfair. They say that N's overdraft was still showing as available through online banking until 17 January, so these transactions were debited from available funds. They also say that it was unfair of RBS to continue to debit interest payments to the BBL from N's account without their authority.

However, I've seen that RBS wrote to Mx D to say that if they didn't provide the information required for the bank to reassess their overdraft renewal, the facility would be removed on 16 January. Whilst I recognise the overdraft may have been still showing on online banking after this date, Mx D was aware that they hadn't provided the information requested by the bank and therefore this facility was no longer available to them and was in the process of

being removed by the bank. So I don't think it was unreasonable that RBS charged N a fee for making these payments – the alternative would have been for it to return the payments as unpaid which may have had a detrimental impact on N's credit file. I've also seen that the interest payments which were debited to the account were for outstanding liabilities for N's current account and BBL which Mx D had agreed to within the two borrowing agreements, so I also don't think it was unfair for RBS to debit these from N's account.

Mx D says they feel RBS has discriminated against them as they were asked for their 'Christian name' when calling to discuss N's account and they feel the term 'personal name' should have been used instead. I can understand why Mx D feels this way but having looked at all the evidence I don't think RBS has discriminated against them. Nor do I think RBS has acted unfairly or unreasonably. I've listened to the call between RBS and Mx D, and I think the call handler was simply trying to clarify the information needed from Mx D to verify them as the caller so they could discuss N's account information. So I'm not persuaded that RBS intended to cause any distress or behave in a discriminatory way. I hope that it helps Mx D to know that someone impartial and independent has looked into their concerns.

I also recognise that Mx D says that RBS shouldn't have asked them for personal information as the account is in N's name as a business, not a personal account. However, I think it's worth noting here that N is set up as a sole trader business. A sole trader business doesn't have any legal identity separate to its owner - as a sole trader is a self-employed person who owns and runs their own business as an individual. So I think it's reasonable that RBS were trying to verify Mx D personally to check they had the correct authority to discuss N's account, rather than just N's business details.

I'm sorry to disappoint Mx D as I recognise they feel strongly about this complaint. But based on the evidence available, I'm satisfied that RBS has dealt with matters fairly and done enough to put things right. So I won't be asking it to do anything more.

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 N to accept or reject my decision before 6 November 2023.

Jenny Lomax
Ombudsman