

The complaint

The trustees of T, a trust, complain that The Royal Bank of Scotland Plc restricted T's accounts and didn't communicate with them as agreed.

The trustees have been represented in this complaint by Mr W, a trustee of T.

What happened

In May 2022 RBS wrote to Mr W asking for some information which it needed to complete a review of T's business profile. It was subsequently agreed that Mr W could provide the information over the phone, as he's dyslexic. Mr W then provided most of the requested information, but he refused to provide some details of T's beneficiaries.

In mid-September 2022, around a week before the deadline for completion of the business profile, Mr W told RBS he was the only trustee of T. This didn't match RBS's records. But instead of phoning Mr W, as it had said it would, RBS wrote to him again, saying it required further documents. When it hadn't received those by the specified deadline a month later, it restricted T's accounts.

In its final response to the complaint, RBS apologised for not having phoned Mr W as promised. It also accepted that given that it was aware of Mr W's dyslexia, it ought, in any event, to have called him following the phone call in mid-September 2022 to say that it needed a certified copy of the trust deed. RBS credited T's account with £250 to apologise. It also waived a £12 charge for an unpaid direct debit and said it had arranged to lift the restrictions on T's accounts. In the event, this didn't happen, as RBS's Customer Due Diligence team weren't willing to lift the restrictions as long as information needed to complete the business profile remained outstanding.

Mr W told RBS that he wished to close T's accounts. RBS said he'd need to complete an account closure form, but Mr W explained that he wasn't willing to do so until the accounts were unblocked. He also said that RBS has the original trust document, which he'd like it to return.

One of our investigators considered the complaint and didn't think it should be upheld. She said, in summary, that RBS had acted reasonably in asking for information from T. The trustees hadn't provided all the required information. RBS hadn't phoned Mr W, as it should have done. But she didn't think it likely that Mr W would have provided the information in time to prevent restrictions being applied even if RBS had phoned him rather than writing. And she thought it was understandable that RBS wasn't willing to lift the restrictions without all the requested information. She was happy that RBS had explained to Mr W how T's accounts could be closed, and she was satisfied that RBS didn't have the original trust document. Taking everything into account, she considered that the compensation RBS had paid to T was fair.

Mr W 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 a responsibility to keep the information it holds about its customers up to date. It wrote to Mr W several times, explaining the need to provide information to complete T's business profile. And it warned Mr W that if the requested information wasn't provided, it might be necessary to restrict access to T's accounts.

I'm satisfied that it was reasonable of RBS to request the information from T. In the end, the accounts were restricted because RBS didn't receive all the information by the deadline.

RBS has acknowledged that it failed to phone Mr W when it said it would, and that, especially in view of Mr W's dyslexia, it ought to have called him between asking for further documents and restricting the account.

But I'm satisfied that Mr W was aware that RBS required further information. He'd made it clear that there were some details that he wasn't happy about having to provide, and he'd written to RBS asking it not to send any further information request letters. Taking everything into account, I think it unlikely, on balance, that he'd have provided the requested information before the deadline even if RBS had phoned him.

I consider the compensation that RBS has already paid to be fair, in the circumstances, to compensate for RBS's poor service in failing to call Mr W as promised on more than one occasion. I acknowledge that Mr W is also dissatisfied with the time he's had to wait for RBS to answer phone calls. But while I can understand his frustration, I don't consider that it would be fair to require RBS to pay further compensation for this.

RBS says it's never had the original trust deed for T. It's provided a copy of a certified copy that it holds of the original from the year 2000. I can't be sure what happened, but I can't see any obvious reason why RBS would hold a certified copy of the trust deed if it also holds the original. In order to require RBS to return the original deed, I'd need to be satisfied that it has it. And while that's not impossible, based on the information provided, I'm not convinced that it's likely. That being the case, I can't reasonably require RBS to return the original trust deed to Mr W.

Finally, RBS explained that T could move its account elsewhere without the restrictions being lifted. After the investigator sent out her view, Mr W sent us a copy of a letter from RBS saying that it had decided to end its banking relationship with T, and would be closing its accounts in July 2023. It explained that this was because it had asked for additional information and/or documentation that hadn't been supplied.

I acknowledge that Mr W told us he wished to access the money in T's account before the account closed. And I understand that Mr W will have been frustrated to be told in RBS's final response that arrangements had been made for the restriction to be lifted, only to discover that it wouldn't be lifted after all. But I'm satisfied that it was reasonable of RBS to restrict access to T's accounts unless and until the outstanding information was provided. The trustees effectively had the option of providing the information or moving T's accounts elsewhere without the need to remove the restriction first.

I realise that Mr W will be disappointed with my decision, but for the reasons I've set out, I don't find that I can fairly require RBS to do more to put things right.

My final decision

My decision is that the compensation that The Royal Bank of Scotland Plc has already paid is fair. So I don't require it to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 19 December 2023.

Juliet Collins
Ombudsman