

The complaint

Mr B complains that The Royal Bank of Scotland Plc (RBS) blocked his debit card whilst he was abroad and about the subsequent service he received.

What happened

In summary, Mr B was abroad when RBS blocked a debit card transaction for a taxi he had booked. He complained to RBS saying that he had authorised the transaction, so he was caused unnecessary distress and inconvenience – particularly, as he suffers from several medical issues which were triggered by this event.

RBS upheld the complaint in part. It didn't think it had done anything wrong when the transaction was blocked saying this was a fraud prevention measure. But it acknowledged that the service Mr B received when he contacted it about the blocked transaction could have been better than it was. It paid Mr B £350 compensation - £300 in recognition of the distress and inconvenience the service issues had caused and £50 to cover the cost of the phone calls Mr B had to make.

Unhappy with the outcome, Mr B referred the complaint to us. One of our investigator's looked into it and she upheld the complaint. She said RBS could have supported Mr B better than it did. And, if it had, she thought Mr B's card would have been unblocked sooner than it was. Given Mr B's particular circumstances, the investigator recommended that RBS should increase the compensation payment to £550 (inclusive of the £350 already paid) as she thought this more fairly recognised the impact this matter had on Mr B.

RBS – as a gesture of goodwill, agreed to the investigator's recommended resolution. But Mr B didn't agree. He said that there was longer term impact on him as the incident had triggered his medical conditions and he didn't think the recommended compensation fully recognised this. As agreement wasn't reached, the complaint was escalated to me for a final decision.

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.

Mr B has raised several complaint points and has given detailed information about his medical conditions and I'm aware I have only provided a summary above. So, I'd like to reassure him that I have read and considered his correspondence in full. And I hope the fact that I do not respond in a similar detail here will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances of the complaint as a whole.

Having done so, while I appreciate Mr B's strength of feeling about why the compensation RBS has agreed to pay should be increased further, I agree with the investigator that £550 (in total) is fair compensation in all the circumstances of this complaint. I'll explain why.

Mr B has said the fraud check was unnecessary. And I can understand why Mr B has said this – the transaction he made was genuine and similar to other transactions he had made previously without problem.

But the starting point here is that businesses like RBS are expected to have security measures and procedures in place to safeguard customers' accounts and prevent fraud so far as possible. As to exactly what those procedures are and how they are carried out is a matter for RBS to decide. That is not something this service generally becomes involved in. Overall, I find RBS' action in suspending the payment to be reasonable and allowed for by the account terms and conditions of the account Mr B held.

When a transaction is suspended, I'd expect RBS to contact the account holder to establish if the transaction was genuine. And from what I've seen, RBS did attempt to contact Mr B - it sent a text message to the mobile number it held for him. While I accept that Mr B didn't get the text as he'd changed the SIM card in his phone as he was abroad, I've not seen anything to suggest that - at this point, Mr B had given RBS a different number to contact him on. So, I don't find RBS did anything wrong when it blocked the use of Mr B's debit card when it didn't receive a response to the text message. This action was taken to protect Mr B's account from potential fraud.

RBS hasn't disputed that the subsequent service Mr B received and the calls he had with it could have been handled better. For example, Mr B had issues with the RBS' virtual 'chat' service; it took some time before he was able to speak to a member of staff; and a promised call back wasn't received on the new contact details he'd provided during the chat. And when Mr B subsequently wanted to raise a complaint – his call was transferred without explanation and there was some confusion about what was being said and what was happening.

Mr B has said RBS staff were not polite. Having listened to the call, while I do find the calls could have been managed better, I don't agree the staff members were impolite. But I do agree with the investigator, that RBS let me Mr B down when it didn't call him back as promised on the new contact details he had - by then, provided. While the card was eventually unblocked, I find this could have been achieved sooner had the call back been made as requested. As a result, Mr B was left abroad, without the use of his debit card for longer than needed.

Taking this all into account, I'm persuaded that the service Mr B received wasn't at the level he had a right to expect – particularly, as it seems RBS was aware of Mr B's medical conditions. So, I find compensation is rightfully due.

When thinking about fair compensation, I've thought carefully about what Mr B has said about this incident triggering his health conditions. But I've also taken into account that this wasn't the first time Mr B had experienced payments being blocked – his account records show a previous transaction was blocked in December 2023 (two months before this event complained about).

So, I think Mr B would have known that transactions from time to time can be blocked by RBS' fraud protection systems. So, while Mr B has told us he prefers not to carry cash or other cards, I think it would have been reasonable for Mr B to have other forms of payment available to mitigate the consequences of a blocked transaction – particularly, given his personal circumstances and because he was abroad.

But I'm satisfied that given Mr B's personal situation the events here would have impacted him more significantly than it might other customers. But I haven't seen enough persuasive evidence to safely conclude that the service Mr B received was the sole reason Mr B suffered further problems with his medical conditions to the extent he has mentioned. Mr B has told us his medical conditions were already long-term problems.

Overall, I can appreciate how distressing and inconvenient Mr B would have found this whole matter. But I find £550 is a fair and reasonable amount of compensation for the distress and inconvenience caused to Mr B including the cost of the phone calls he had to make (inclusive of the £350 RBS has already paid) when taking all the circumstances of this complaint into consideration. So, I won't be asking RBS to pay anything above what it has already agreed to pay.

I note Mr B has mentioned the time RBS took to answer his complaint. But from what I've seen RBS responded to the complaint within the timescales allowed.

My final decision

For the reasons given above, I uphold this complaint.

The Royal Bank of Scotland Plc should pay Mr B a further £200 – making the total award £550, in recognition of the distress and inconvenience caused and call charges incurred.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 October 2024.

Sandra Greene
Ombudsman