

# RBS used ‘inaccurate’ documents for payouts

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Wednesday November 04 2015, 12.01am, The Times

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Royal Bank of Scotland has been accused of using secret, flawed documents that could have influenced some compensation payouts to victims of the interest rate swaps mis-selling scandal.

Secret documents seen by *The Times* provided by the bank to “independent reviewers” who oversaw redress payouts to victims included a “record” of a sales call that never took place.

They also included potentially misleading bank sales literature and an allegedly bogus email.

Other customers of the bank allege that RBS produced records of meetings that they claim never took place.

An investigation by *The Times* has discovered documents that indicate the bank supplied erroneous customer records that could have flattered its own position in the more than £2 billion Financial Conduct Authority redress scheme.

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Sources at some of the small and medium-sized businesses that were mis-sold the toxic derivatives products claim that the changes were made at their expense. Many of the victims of the mis-selling scandal suffered disastrous consequences, including bankruptcy and the loss of companies built up over decades.

Victims of the mis-selling typically were not allowed to see the documents that the bank passed to reviewers, but some of the records came to light after they were sent to customers accidentally, or when businesses made official requests for their data.

Victims and campaigners say that the documents could have been influential in determining compensation because they were used as evidence of whether or not the risks of the complex derivatives products were properly explained to customers and, crucially, whether they had wanted interest rate protection in the first place.

In the cases viewed by *The Times*, the FCA decided no redress was due, although the bank had “fallen short of expected standards”.

Last night, RBS said that the contentious documents “did not determine the findings or outcomes of the review”. The FCA has indicated that the redress process treated banks’ sales records with “scepticism”.

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An RBS spokesman said: “We categorically deny falsifying customer records to influence the outcome of the review process. In each of these cases, the outcome was reached following a considered review of all relevant documentary evidence, not just the documents queried in these cases.

“While we work hard to ensure a high level of accuracy, minor and non-consequential discrepancies have occurred, on occasion, in historical records.”

Despite purporting to be contemporaneous records of interactions with customers, documents seen by *The Times* contain basic flaws, such as who the bank is said to have met; where and when purported meetings took place; and whether the conversation was a phone call or face-to-face meeting.

In one case, RBS apparently provided the independent reviewer with a completely different version of a sales pitch document about buying interest rate protection from that actually given to a customer by a salesman.

The original document, which was retained by the businessman, contains nine pages. The one produced by RBS for the FCA review, which purports to be the same document, contains 11 pages, but has had the page numbers removed.

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RBS claims it sent the nine-page document to the customer “in error” and that it also provided the longer, unpaginated one.

The additions in the document provided for the purposes of the review include details of simpler products, including an interest rate cap, which the customer claims it was never offered.

Victims claim that this would have influenced the redress scheme's reviewers into believing the customer had been properly presented with all of his options when, in fact, they had not.

Affected customers claimed RBS created the documents retrospectively for the purposes of the review scheme.

Andrew Tyrie, chairman of the Treasury select committee, called on the FCA to examine the cases. "These are very serious allegations," he said.

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An FCA spokesman said that it would "look closely" at the allegations.

Guto Bebb, a Conservative MP and a leading campaigner for victims of swaps mis-selling, said: "The information raises hugely difficult questions for the FCA review process. If information has been doctored, it calls into question the whole nature of the scheme, which was based on trust that the bank's information is accurate."

The issue was discussed at a meeting between MPs and campaigners, including Mr Bebb, and the Financial Conduct Authority on Tuesday. The regulator is understood to have requested permission to pass evidence compiled by campaigners and *The Times* to the police should it deem it necessary.

An RBS spokesman added: "We have at all times worked in line with the FCA agreed process to ensure that all customers get fair and reasonable redress."

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