

RBS admits to decades of under-investment

LONDON, UK: The head of Royal Bank of Scotland admitted on Tuesday (3 December) that it had failed to invest in its information technology systems for decades, after a glitch left customers of the state-rescued bank unable to access cash for three hours.



Thousands of RBS customers were unable to access their cash or make any payments when banking systems crashed. Image: Tarasov_vl [Fotolia](#)

The bank's chief executive Ross McEwan said it was unacceptable that customers could not use their credit and debit cards for a period of the evening on so-called "Cyber Monday", one of the busiest shopping days in the run-up to Christmas.

Many of them fumed on Twitter about being left unable to pay for petrol after filling up their cars, while others were forced to abandon trolleys full of shopping at the till points.

"Last night's systems failure was unacceptable. Monday (2 December) was a busy shopping day and far too many of our customers were let down, unable to make purchases or withdraw cash," McEwan said.

"For decades, RBS failed to invest properly in its systems. We need to put our customers' needs at the centre of what we do. It will take time, but we are investing heavily in building systems that can be relied upon," McEwan said.

Bank apologises

"I'm sorry for the inconvenience we caused our customers. We know we have to do better," he added.

McEwan said he would put forward plans in January aimed at making RBS the bank that customers and retailers need it to be.

British taxpayers own 81% of the banking group, which includes Natwest and Ulster Bank, after the government saved it from collapse following the 2008 global financial crisis.

Ministers are looking to return RBS to the private sector but it still possesses £38bn of high-risk assets and has suffered a number of blows to its reputation.

The bank said in a statement that the systems issues that caused the outage had been resolved and all services were now working normally.

"If anyone has been left out of pocket as a result of these problems, we will put that right," RBS said.

It is the latest in a string of technological meltdowns at RBS. An IT failure in May left customers unable to access their accounts online using mobile apps. In June 2012, a software upgrade left hundreds of thousands of people unable to make or receive payments and cost the group £175m in compensation.

Aside from the technical problems, RBS has been caught up in an international investigation by regulators into the manipulation on the foreign exchange market.

And last month a report by the British government accused RBS of forcing small businesses to default so that it could seize their assets.

Source: AFP via I-Net Bridge

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