

The complaint

Mr P complains that a Bank of Scotland Plc error resulted in him not having access to his online business banking and subsequently suffering a loss of income.

What happened

Upon securing a COVID bounce-back loan from Bank of Scotland, Mr P says that he was going to take up a new export business project abroad. However, soon after, he complained that he was unable to access his online banking.

Bank of Scotland looked into the issue and confirmed that access had been blocked due to a lack of activity on the account. Mr P says he completed a new registration for this as was requested. However, this was rejected as Bank of Scotland said they didn't hold a signature on Mr P's account and so were unable to verify the request.

Bank of Scotland say that they believe the signature had been removed from Mr P's records during a system migration. They say that although this won't have been realised at the time, it was picked up in 2016 when Mr P completed a variation mandate. However, they say that further requests for a signature were not returned or were not completed correctly. Bank of Scotland acknowledged that there had been an error in initially removing the signature from the account, meaning Mr P's request to reinstate his online banking was rejected. They paid Mr P a total of £700 for the inconvenience this caused.

Mr P remained unhappy and brought his complaint to our service for an independent review. The investigator thought that although Bank of Scotland had made an error, their payment of £700 was sufficient in putting things right for Mr P. It was also noted that access had been restored.

Mr P didn't accept the investigator's view. He said that he had lost out significantly as a result of him not having access to his online banking between March and September 2020. He wants compensation of at least £5,000. As he remains unhappy, it's now been passed to me to decide.

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 have to tell Mr P that I think the business has done enough to put things right here. So, I won't be asking them to do anything more. I'll explain why.

Bank of Scotland have said that Mr P's access to his internet banking was withdrawn due to it not being used. They have pointed to part 1.8 of the business internet banking terms and conditions which say that *"...if you don't log on to the Internet Banking Service for at least 14*

months, we may remove your details from our database and you will be required to re-register for Internet Banking”.

Bank of Scotland aren't able to provide an audit trail leading up to Mr P's internet banking being deregistered on 1 April 2020. They say this is because internet banking records only go back 12 months. They have however, shown that there were no faster payments made from Mr P's account for at least 14 months prior to the deregistration. Transfers were done through telephone banking.

When the evidence is incomplete or inconclusive, as it is here, I reach my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened, in light of the evidence that is available. In this situation, I find it more likely than not that Mr P hadn't used his internet banking for more than 14 months and that Bank of Scotland acted fairly and in line with account terms and conditions, when deregistering Mr P's business internet banking.

However, it should have been quite straightforward for Mr P to reinstate this service. Bank of Scotland have acknowledged that the new registration request Mr P completed was rejected due to a previous bank error. This deleted any customer signature from their database, meaning the new request couldn't be verified. This issue was compounded by the fact that Mr P was abroad and doesn't seem to have been offered a reasonable solution apart from getting someone to forward on the form from his UK address.

Bank of Scotland say that the service was restored in June 2020. However, Mr P says that he wasn't able to use it until he got his new card reader from his UK address in September 2020. Mr P also says that this time without business internet banking cost him a considerable reduction in income of over £5,000. He says this was due to having to transact in cash.

As set out above, Bank of Scotland's mistake meant Mr P didn't have access to online banking for a time. I accept this would have been frustrating for him, and inconvenient. But my understanding is he could still operate his account using telephone banking, which means he could have transacted on the account had he needed to. Nor can I see when he had access again in September 2020 his account activity changed in a material way, which makes me think internet banking wasn't essential for his business. Because of this, and in the absence of any compelling evidence to support (and quantify) Mr P's alleged losses, I can't fairly require Bank of Scotland to pay him the £5,000 he's asked for.

But as I've said, this matter was frustrating for Mr P, and a clear inconvenience, for at least five months. Bank of Scotland have paid him £700 compensation in recognition of this. That's a lot of money and in my view, taking everything into account, it's a fair and reasonable amount to put things right.

I accept my decision will come to disappoint Mr P. But, for the reasons set out above, I don't require Bank of Scotland to do anything more to resolve this complaint. My decision ends what we – in attempting to resolve Mr P's dispute with Bank of Scotland – can do for him.

My final decision

For the reasons set out above, I don't think that Bank of Scotland plc, should do anything more to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 August 2021.

Yoni Smith
Ombudsman