

## **The complaint**

Mrs S is unhappy Bank of Scotland plc closed her credit card without her asking it to.

## **What happened**

Mrs S had a credit card with Bank of Scotland that benefitted from a 0% interest promotional rate and went into a branch to enquire about applying for new 0% interest promotional rate credit card. Mrs S says she was told she would need to close her current credit card to take out the new one.

Mrs S says several days later she was embarrassed when she tried using her existing card, but it was declined. She called the bank and was surprised to find her credit card had been closed.

Bank of Scotland said the branch advisor wouldn't have processed the account closure unless Mrs S requested it. It didn't think its advisor had done anything wrong and said it had written to Mrs S the same day confirming the account had been closed. It said it couldn't re-open the card, but Mrs S could apply for a new credit card. It explained that Mrs S already has three cards within the banking group and advised that the most she could hold is two credit cards with each brand within the group.

Our investigator thought the complaint should be upheld. He thought it was more likely than not Mrs S didn't ask for the account to be closed, otherwise she wouldn't have attempted to continue to use it. He said he couldn't ask it to reopen the account or give her a new credit card but thought it should pay £100 in compensation for the embarrassment the situation caused her.

Bank of Scotland accepted what our investigator said, but Mrs S doesn't think £100 is enough compensation and has asked for an ombudsman's 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.

Having done so, I agree with the outcome our investigator reached and for similar reasons.

There is no dispute Mrs S went to Bank of Scotland to enquire about a new credit card and her account was then closed. Bank of Scotland accepted our investigator's opinion on the complaint and agreed to compensate Mrs S for the embarrassment and inconvenience it caused her in closing her credit card.

When things go wrong, we expect a business to put it right and usually we would ask it to put the consumer back in the position they would have been in had the error not occurred. Unfortunately, in Mrs S cases, Bank of Scotland can't reinstate her credit card account. So, what's left for me to decide is whether it's done enough to compensate Mrs S for what happened.

Bank of Scotland already agreed to pay £100 for the distress and inconvenience Mrs S faced. I appreciate Mrs S doesn't think this is enough, but I've thought about what's happened and I think £100 is fair and I'll explain why:

- I accept Mrs S had to phone Bank of Scotland to find out what happened, and this will have been time consuming for her. And I can appreciate it will have been embarrassing to have her card declined while in stores.
- I've thought about the benefits the card offered and looked at Mrs S' account activities and I can see she usually cleared the balance each month. So, I don't find Mrs S often used the interest free feature of the account. As such, I'm satisfied Mrs S hasn't suffered any financial loss.
- I appreciate that it's useful having the credit available and it will no doubt be an inconvenience to no longer have the card to use, but I find in the 12 months prior to its cancellation, Mrs S used no more than a few £100 of the £4,250 pounds of credit available to her on the card.
- Mrs S says she no longer had use of a second card for her day to day spending. But I can see she still had access to other credit cards she holds with Bank of Scotland and other brands within the same banking group that she could use.
- Bank of Scotland advised Mrs S she could apply for a new credit card, and I understand this will have caused some inconvenience, but I don't think it's an unreasonable request, especially as Mrs S was already considering taking out the new 0% interest card. And if she so wishes, she also has the option to apply for credit elsewhere as well as within the banking group.

So, in all the circumstances of this complaint and for the reasons set out above, I think £100 is fair compensation for the embarrassment and inconvenience caused to Mrs S.

### **My final decision**

I uphold this complaint and require Bank of Scotland plc to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 11 March 2022.

Oluwatobi Balogun  
**Ombudsman**