

The complaint

Mr N complains that Bank of Scotland plc restricted access to his accounts.

What happened

Mr N held a bank account, a Help to Buy ISA and a credit card with Bank of Scotland. On 11 December 2019 the bank gave Mr N 75 days' notice that it was closing his accounts. Mr N's complaint about the closure of the bank account has been dealt with in another decision.

On 4 February, Bank of Scotland restricted access to Mr N's bank account. He said that he couldn't use online banking when there was no reason for this, that the bank wouldn't log a complaint for him and that he wasn't able to transfer his account using the account switching service.

Our investigator didn't think the complaint should be upheld.

Mr N said that the bank were being discriminatory towards him based on his accent and the difficulty he had communicating with it.

The investigator looked into that, but it didn't change her mind.

Mr N didn't accept what the investigator said.

I subsequently told Mr N and Bank of Scotland that I was minded to uphold this complaint. I said that the bank hadn't provided sufficient evidence to show that it was entitled to close the account without notice. And it incorrectly told Mr N that it had closed his help-to-buy ISA and the credit card. I proposed that Bank of Scotland should pay Mr N £200 to reflect the distress and inconvenience that caused.

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.

We have already issued a decision on Bank of Scotland's decision to give Mr N notice that was going to close Mr N's bank account. I can't look into that again.

The ombudsman in that case found that Mr N's help to buy ISA and credit card were both still open as at April 2021 – and we have evidence to support that. This complaint was referred to us in April 2020. It follows that Mr N couldn't refer a complaint to us about the closure of the ISA and the credit card as they had not been closed at the point he referred the complaint to us.

I agree that the communication from Bank of Scotland's has been confusing as it said that the help to buy ISA and credit card had been closed. It also shows that its investigation into this matter was poor as it did not identify that. I will take that into account in my award for distress and inconvenience below.

I'm looking at Bank of Scotland's actions following the notice to close of the bank account.

The terms and conditions of the account allow Bank of Scotland to close an account without notice for a number of reasons. The ombudsman on the other complaint has found that the reasons for giving notice to close the account in the first place were fair.

The bank has explained that it later carried out a review of Mr N's account and that found a number of things. So it removed access to the account immediately. It is relying on its terms and conditions, which say:

"Ending this agreement or an account, benefits package or service

If we reasonably think that:

- *there is illegal or fraudulent activity on or connected to the account;*
- *you are or may be behaving improperly (for example, in a threatening or abusive way);"*

Bank of Scotland has not provided me with any evidence to support two of the reasons it gave for closing the account without notice. Despite requests, it hasn't given me a clear explanation why the third reason was illegal or fraudulent activity or constituted improper behaviour. In view of that, based on the information available to me, I am not persuaded that the bank acted fairly when it closed the account or restricted access to it without notice.

I accept the bank was entitled to close the account – but it hasn't provided sufficient evidence and explanation to support that it was reasonable for it to think that the circumstances of this individual case met the threshold to close the account immediately.

I haven't seen any evidence to support that the decisions made by the bank were discriminatory.

Mr N said that he suffered a financial loss because he thought the help-to-buy ISA was closed. He said he could have paid into the ISA until 2029 and would have received a bonus at that point. But I don't consider he has shown that he has suffered a financial loss. We don't know what he would have paid into the ISA or for how long. And he still has that money to invest elsewhere. Mr N hasn't claimed any other financial loss.

That leaves compensation for the distress and inconvenience Mr N has suffered. He would always have had to find alternative banking facilities – but he was effectively given only around 49 days, rather than the 75 days he was entitled to. He was also given incorrect and misleading information by the bank in its final response that it had closed his help-to-buy ISA and credit card. The bank's evidence shows those accounts were not closed until much later.

Looking at what Mr N has told us about the impact of this matter on him I consider it would be fair for Bank of Scotland to pay him £200 to reflect the distress and inconvenience caused by its decision to close the account without notice and in giving him incorrect information.

My final decision

My final decision is that Bank of Scotland Plc should pay Mr N £200 for any distress and inconvenience caused to him as a result of this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or

reject my decision before 21 March 2022.

Ken Rose
Ombudsman