

The complaint

Mr Y complains about Bank of Scotland plc's handling of a missed mortgage payment.

What happened

Mr Y has a mortgage with Bank of Scotland. Monthly payments were taken by direct debit from Mr Y's bank account. In December 2021, Bank of Scotland were unable to collect the monthly payment. This was because Mr Y had transferred his bank account and his new bank didn't set up the direct debit.

Bank of Scotland recorded the missed payment on their systems and contacted Mr Y by text about a week and a half later. When Mr Y contacted Bank of Scotland in response to their text, there was some confusion about why they'd contacted him.

In short, after several more phone calls, it was mid-February before Bank of Scotland removed the missed payment data from their systems. And a week later that they finally addressed another of Mr Y's concerns about any additional interest charged due to the late payment.

Mr Y says he found the confusion and uncertainty stressful and frustrating. He thinks the service Bank of Scotland provided was poor. And he says he was inconvenienced by having to call bank of Scotland on a number of occasions – often repeating information he'd previously provided – before the matter was resolved.

Mr Y complained to Bank of Scotland. They agreed that the service they'd provided wasn't acceptable and £30 in compensation to Mr Y for his trouble and upset.

Mr Y wasn't happy with this and brought his complaint to us. Our investigator looked into it and thought the £30 compensation didn't reflect the inconvenience and distress Mr Y had suffered. She thought Bank of Scotland should pay Mr Y £150 compensation in total.

Bank of Scotland agreed to increase the compensation to £150, but Mr Y disagreed with the proposed outcome. He thinks the £150 is still insufficient – and he asked for a final decision from an ombudsman.

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.

There's no dispute here about the facts. The failed payment was not due to any error or omission on the part of Bank of Scotland. But once that had happened, Bank of Scotland failed to deal with Mr Y's situation in an acceptable manner. Things were delayed and communication was poor at times.

The only question for me then is whether the proposed £150 compensation, suggested by our investigator and agreed by Bank of Scotland, is sufficient given the trouble and upset Mr Y was caused. I know this will disappoint Mr Y, but I'm satisfied the £150 compensation is

in fact fair and reasonable given the degree of stress and inconvenience he suffered.

I've taken into account that the initial issue was not of Bank of Scotland's making. Mr Y did meet with some confused and unhelpful communication when he contacted the bank. And he did have to call them several times – and repeat himself – to get the issue resolved.

But the matter was entirely resolved within around five or six weeks of the initial contact from Bank of Scotland. That's longer than it might have taken, but Mr Y's stress and inconvenience lasted only for that period of time.

I also bear in mind that Mr Y's perfectly legitimate concerns here were nonetheless limited. They were primarily about how soon the adverse record – on Bank of Scotland's internal systems only – would be removed and whether he might be charged a marginal amount of additional interest after the missed payment.

Taking all of that into account, I'm satisfied that £150 is sufficient compensation for Mr Y's trouble and upset.

Putting things right

I agree with our investigator that the £30 compensation initially offered by Bank of Scotland was insufficient. And I'm going to require them to pay the £150 compensation our investigator suggested.

My final decision

For the reasons set out above, I uphold Mr Y's complaint.

Bank of Scotland plc must pay Mr Y £150 for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 22 September 2022.

Neil Marshall
Ombudsman