

The complaint

Miss S has complained that Bank of Scotland plc did not pay her the compensation due for the mis-sale of a payment protection insurance (PPI) policy.

What happened

Miss S complained to Bank of Scotland about the sale of her PPI. Bank of Scotland agreed that the policy had been mis-sold. They offered Miss S about £1,800 compensation before tax, or about £1,600 compensation after mandatory tax had been taken off.

In June 2020, Bank of Scotland issued a cheque for about £1,600.

The following year, Miss S was pursued by her claims management company for their share of the compensation. But she said this was the first she'd heard about it – she'd not received Bank of Scotland's offer or cheque. She provided bank statements to show this.

Bank of Scotland insisted the cheque had been paid to Miss S, though they did not provide the evidence we asked them for in order to show this.

Our adjudicator looked into things independently and upheld the complaint. Bank of Scotland didn't reply, so the complaint's 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.

While Bank of Scotland have provided some evidence indicating that the cheque may have been paid to Miss S's account, they have not provided the evidence we asked for – such as the acceptance form or electronic records. And they were given multiple lengthy chances to evidence their side of the case.

On the other hand, Miss S has provided her bank statements from the time, for the account which Bank of Scotland say the cheque was paid to. There is no corresponding cheque deposit from Bank of Scotland, nor any credit for that amount. Miss S also reported the matter to the police, in case someone had intercepted her cheque. Her testimony has been consistent and credible, and I can see that her claims management company also now accept that the cheque did not reach Miss S. So Miss S's actions and evidence support that she did not get the cheque in question.

Bank of Scotland say their cheque might have been grouped together with other payments to form a much larger credit to Miss S's account, for about £5,000 in July 2020. But we spoke to Miss S's bank about this. And Miss S's bank said that that credit just shows as one transaction. They were unable to find this cheque from Bank of Scotland, and they had no other evidence to say that the cheque in question was ever deposited to Miss S.

So taking everything together, it seems likely that Miss S did not receive her compensation from Bank of Scotland. Certainly, I have not been given enough to satisfy me that she did.

It follows that Bank of Scotland should pay Miss S the compensation now – by direct bank transfer to be safe. They should also update the simple interest to the new payment date, to compensate Miss S for the extra time she was out of pocket.

I also understand that Miss S was caused some real anxiety and distress about this, and that she's had to spend a good deal of time trying to get this resolved. So Bank of Scotland need to put that right, too.

Putting things right

I direct Bank of Scotland plc to:

- Update the 8% simple interest portion of the compensation to the date that they will now pay Miss S the redress;
- Pay Miss S the PPI redress directly by bank transfer; and-
- Pay Miss S an additional £100 compensation for the trouble and upset caused, also by direct bank transfer.

My final decision

For the reasons I've explained, I uphold Miss S's complaint, and direct Bank of Scotland plc to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 20 December 2022.

Adam Charles
Ombudsman