

The complaint

Mrs M and Mr M complain about a Bank of Scotland plc error that resulted in cheques being returned and the loss of on-line account access.

What happened

I issued my provisional decision on this complaint on 16 February 2023, and this is what I said:

I've considered the relevant information about this complaint.

Based on what I've seen so far, there will be a different outcome to what our investigator proposed.

Before I issue my final decision, I wanted to give everyone a chance to reply. I'll look at any more comments and evidence that I get by 16 March 2023. But unless the information changes my mind, my final decision is likely to be along the following lines.

The complaint

Mrs M and Mr M complain about a Bank of Scotland plc error that resulted in cheques being returned and the loss of on-line account access.

What happened

Mrs M and Mr M live overseas and rely on their Bank of Scotland account to make important payments including to another bank in the country in which they reside.

Due to an unexplained error Bank of Scotland changed the telephone number associated with their bank account. This led to Mrs M and Mr M cheque payments being returned and them being unable to access their bank account on-line.

Mrs M and Mr M say this caused them considerable embarrassment, inconvenience and distress. Also, it caused a financial loss as when a cheque was represented the exchange rate increased. In addition, other communication costs were incurred. Bank of Scotland apologised and said they wanted to put things right. Although they couldn't explain what went wrong, they compensated Mrs M and Mr M for their financial losses and said they would consider evidence of any further costs incurred. In addition, by way of an apology they paid an additional £80.

Mrs M and Mr M contacted our service as they were dissatisfied with this additional payment. This is because it doesn't recognise the embarrassment, inconvenience and distress they experienced.

Our investigator agreed it was too low and said it should be increased to £150. However, Mrs M and Mr M remain dissatisfied. So, this case has now been referred to me to look at.

What I've provisionally 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.

As Bank of Scotland have apologised for the error which caused Mrs M and Mr M upset and inconvenience, what's left for me to decide is what is fair and reasonable to put this right. Although it was a small mistake, I found it had a big impact on Mrs M and Mr M. So, whilst I'm pleased to see Bank of Scotland have remedied Mrs M and Mr M's financial losses, I also found the impact here required more than the £80 compensation Bank of Scotland offered.

This is because Mrs M and Mr M are living overseas, so the cheque was an important payment to the bank they use to manage their finances in the country they reside. Also, although the problems appear to be due to a single mistake, it also impacted on their ability to receive calls, use on-line banking and there were additional difficulties and inconvenience contacting Bank of Scotland. So, I can understand the inconvenience here and the distress expressed by Mr M.

Also, from viewing the file, this inconvenience and distress lasted for a few weeks and caused late night calls and a loss of sleep. In addition, Bank of Scotland can't explain what went wrong so there is a loss of confidence and expectation here. Furthermore, the error caused embarrassment and took time to identify and rectify and I can't see that Mrs M and Mr M were updated on either the cause or length of time it would take to remedy. So, I'm satisfied it caused Mrs M and Mr M to become worried. Also, to feel vulnerable as they were worried about how they were going to be able to transfer vital funds from the UK.

So, considering all the above, I have come to the view that the compensation award should be further increased to £250.

My provisional decision

For the reasons given above, I plan to uphold this complaint and award Mrs M and Mr M £250 compensation.

I'll look at anything else anyone wants to give me – so long as I get it before 16 March 2023. Unless that information changes my mind, my final decision is likely to be as I've set out above.

I received a response from both parties prior to the above-mentioned deadline.

Bank of Scotland agreed to the provisional decision.

Mr M also agreed the provisional decision however commented that he felt "poorly served by the Bank of Scotland and the compensation hardly reflects the hurt and frustration experienced."

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.

As no further arguments or evidence have been presented and both parties have confirmed agreement, I adopt my provisional decision and reasons as my final decision.

My final decision

My final decision is I uphold this complaint and I require Bank of Scotland plc to pay Mrs M and Mr M £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 20 March 2023.

Paul Douglas
Ombudsman