

The complaint

Mrs C complains that Bank of Scotland plc (BoS) failed to process a balance transfer offer that was available on her credit card. She said she has lost out through paying considerably higher interest as a result.

What happened

In October 2022, Mrs C contacted BoS in relation to a credit card balance transfer offer she said she'd received in the post. She said the offer allowed her to transfer across a credit card balance from another provider and pay 0% on the new balance for a period of 15 months.

Mrs C said she contacted BoS on a number of occasions in relation to this offer, and received poor service throughout. She said she made around five calls, including some where she was told the offer was available, but no one was around to process it. And others, where she was told there was no trace of an offer having been made. So, she complained.

BoS responded, and said that there were no further balance transfer offers currently available that she could benefit from at the time of addressing her complaint, and they could no longer honour the original offer as it had since expired. They did agree that Mrs C had been unnecessarily transferred to multiple departments though, and given conflicting information about what was and wasn't available. Overall, they agreed the service was poor. So, they sent Mrs C a payment of £75 as compensation for the poor service she received. Unhappy with this, Mrs C brought her complaint to our service.

An investigator considered the complaint and recommend it was upheld. He said he was satisfied there were shortcomings in the service BoS provided and that, as a result, Mrs C lost out on the balance transfer offer. And he recommended BoS increase their offer of compensation to Mrs C to £250 in respect of the distress and inconvenience caused. He said they should also let Mrs C know about any future balance transfer offers available.

BoS accepted the investigator's findings, but Mrs C didn't. She said she would accept the payment of £250 for the poor call handling on BoS's part. But she said she'd suffered a far greater financial hardship as a result of BOS's failure to honour the offer they'd made. And she said that her losses were the potential benefit she could've made in savings from the transfer, which potentially amounted to thousands of pounds. So, as Mrs C remained unhappy, the complaint has 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.

It's not in dispute that, at the time Mrs C initially contacted BoS, there was a balance transfer offer available. And BoS have accepted that the overall service they provided was poor.

I haven't gone into fine detail within this decision of all the errors that were made, because BoS aren't disputing the fact that the service levels fell short – but, to clarify, I think the

significant number of calls Mrs C had to make, where she was often given conflicting information and passed from department to department, as well as being told at some points that no offer was available is not what Mrs C should've come to expect from BoS. And I'm satisfied these shortcomings resulted in Mrs C missing out on the transfer offer. So, I've gone on to look at how I think BoS should put things right.

BoS have explained that the initial offer that was in place expired in October 2022, and I've seen evidence to support this. So, while I accept this should've been available to Mrs C when she initially called, I am satisfied that it is no longer available now, and not something that BoS can currently transfer Mrs C's balance to. But I am pleased to see that BoS have agreed to let Mrs C know about any future offers available – I think this was the right thing to do.

Looking at BoS's initial offer of compensation, I don't think the £75 paid is sufficient to reflect the overall distress this matter would've caused Mrs C. Mrs C has argued that her losses are the ongoing interest she has continued to pay on her existing card, as a result of not being able to carry out the balance transfer, which could potentially have amounted to thousands of pounds. She has also mentioned monthly payments of around £500 that she was paying towards her card.

I can understand why Mrs C is seeking to be compensated more, and that she feels that BoS are responsible for the future losses she may experience. That being said, I also need to balance this with what Mrs C could have done to mitigate those losses.

Looking first at the payments Mrs C has referred to paying on her existing credit card of £500. While I appreciate this was the payment she had been making, it appears that her monthly interest charge was much closer to £200 per calendar month based on the balance on the statement she provided. And a large proportion of that £500 payment went, and would go, towards her capital balance, rather than the interest.

Also, while I accept Mrs C will have paid a lot more in interest if she continued to keep her balance on an interest bearing account with her current provider, equally, if Mrs C did want to mitigate her position and was concerned with interest taking up most of her monthly repayments, she had the option to look and apply for more preferential rates elsewhere. So, while it's unfortunate that Mrs C missed out on the BoS offer, which I appreciate she feels was attractive, I don't think that leaving her existing balance on an interest-bearing credit card was likely to be the only alternative option. So, I don't think it's fair to hold BoS responsible for the additional interest losses she said she experienced.

To sum up, while I'm satisfied that there were failings on BoS's part, and that these failings meant that Mrs C had lost out, I also think there is more that Mrs C could have potentially done to mitigate those losses. And, when taking all of that into account, given that the investigator's recommendation of £250 covers more than a month's interest at the time of the transfer, and provides extra funds which I think recognises the shortcomings in the service she received over the phone, on balance, I think this offer is fair.

So, for these reasons I won't be asking BoS to do anything more than it's agreed to.

My final decision

My final decision is that I uphold Mrs C's complaint.

I now require Bank of Scotland to pay Mrs C £250 in compensation in total.

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

reject my decision before 26 April 2023.

Brad McIlquham
Ombudsman