

## **The complaint**

Mr R complains that Bank of Scotland plc closed his local branch, and removed his overdraft. He'd like the overdraft reinstated and compensation.

## **What happened**

Mr R has an account with Bank of Scotland plc.

Bank of Scotland made a decision to close Mr R's local branch so he complained. Mr R explained he needed to use his local branch to deposit cheques. But now this wasn't possible.

In August 2022 Bank of Scotland looked into his complaint but thought they'd acted fairly in closing his local branch. They also reviewed his account activity and made a decision to remove his overdraft. They apologised for not removing it sooner, refunded charges since 18 November 2017 totalling £2,187.86 plus 8% which totalled £70.09 and a £30 apology.

But Mr R was very unhappy with their decision to remove his overdraft and complained to our service. He argued that Bank of Scotland had removed his overdraft deliberately to punish him for complaining.

Mr R added that he has a sporadic income and needs the overdraft to help him during periods where he isn't paid.

One of our Investigators looked into his complaint. But they didn't uphold it. They thought Bank of Scotland complied with their obligations when closing Mr R's local branch, and acted fairly in removing his overdraft.

Mr R didn't agree. In response he said:

- His overdraft was only removed once he complained
- The overdraft is vital as he has payment gaps when receiving his salary
- He doesn't want the refunds to his overdrafts
- He was staying within his overdraft limit

As Mr R didn't agree it'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.

### *Branch closure*

Our investigator outlined the expectations on firms when closing a local branch. These are

available on [www.fca.org.uk/publication/finalised-guidance/fg22-6.pdf](https://www.fca.org.uk/publication/finalised-guidance/fg22-6.pdf)

I won't repeat this, as I'm confident both Mr R and Bank of Scotland are fully aware of these expectations. It's not our services role to tell a bank whether they can close a branch or not – however we can decide if they've followed the rules set out in the guidance listed above. And if not, award compensation to an individual consumer for the impact.

As part of these rules Bank of Scotland were required to issue an impact assessment or 'closing branch review'. These reviews are all openly available on the Bank of Scotland website [www.bankofscotland.co.uk/branchfinder/branch-closures.html](https://www.bankofscotland.co.uk/branchfinder/branch-closures.html)

I've reviewed this and I'm satisfied a closing branch review was carried out for Mr R's local branch. And I can see this included the needs of customers using the site, the impact of the closure and alternatives in place. Including a branch which was just over 20 miles away. I understand why Mr R finds this inconvenient, considering he needs to deposit cheques. However, it doesn't follow that I can say Bank of Scotland have acted unfairly. And even if I did I wouldn't be able to direct them to reopen the local branch.

### *Overdraft removal*

I've considered Bank of Scotland's decision to remove Mr R's overdraft on 18 August 2023. I understand he believes it's *because* he made a complaint that his overdraft was removed. And I think the two matters are connected – but not because Bank of Scotland did anything wrong here. Instead on Mr R making a complaint they reviewed the service they'd provided before and felt it hadn't met the required standard. Having done so, they thought his overdraft should have been removed in November 2017. And refunded Mr R for the charges incurred during that period to August 2022. I'm pleased to see that Bank of Scotland have been proactive on this. I appreciate Mr R doesn't want the refund, but I can't say in refunding him he experienced any detriment here.

I appreciate that Mr R argues Bank of Scotland acted unfairly in removing his overdraft however I'm afraid I don't agree. I asked Bank of Scotland for their policy on overdraft removal, they weren't able to provide this however advised me that their overdrafts are repayable on demand. Bank of Scotland previously explained that they were concerned Mr R was receiving high charges, and would have difficulty in repaying his overdraft. I can see that they sent him two letters in May and August 2022 to ask whether he needed any support. I've reviewed his statements, and I can see that that Mr R was in his overdraft for the majority of the time since November 2017. And he was in his overdraft continuously from October 2021 to when it was removed in August 2022. I understand that Mr R's disappointed the overdraft was removed, and he's explained that he kept his repayments up. I'm afraid Bank of Scotland are under no obligation to provide credit to him, and I can understand – in being a responsible lender – why they were concerned by Mr R's overdraft usage. For this reason I can't say their actions were unfair.

For the reasons I've outlined above I won't be asking Bank of Scotland to do anything further.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 March 2024.

Jeff Burch  
**Ombudsman**