

The complaint

Mr B complains that an IT failure by Bank of Scotland plc has led to both inconvenience and loss on his part.

What happened

In early July 2023 Mr B attempted to apply for a loan via Bank of Scotland's online banking facility. It repeatedly said that he wasn't eligible to do so. After many attempts, Mr B contacted Bank of Scotland, who apologised and admitted that there was no obvious reason why the online banking platform wouldn't progress an application for Mr B. It raised a fault with its IT department, confirmed that Mr B could apply in branch or over the 'phone and paid him £100 to apologise for the inconvenience.

Mr B did not accept that, insisting that he wanted to be able to apply online, and that it wasn't reasonable that Bank of Scotland wasn't able to sort this out for him promptly. So he came to this service, highlighting that as he had wanted to borrow money to buy a new car, he had also lost money. He said that the value of his old car had declined while he had been waiting, and that his credit score had decreased.

One of our investigators looked into his case and thought that the £100 Bank of Scotland had offered Mr B for the inconvenience of not being able to promptly process a loan application online was sufficient. So she didn't uphold his complaint. Mr B doesn't accept that and asked an Ombudsman to look into things.

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.

The essential question for me is whether the £100 that Bank of Scotland has already paid Mr B is fair and reasonable compensation for the IT glitch which has inconvenienced him. And I think it is, so won't be upholding this complaint. I'll explain why.

Bank of Scotland has admitted that there is an IT problem which has stopped Mr B applying for a loan through its online banking facility. When responding to his complaint, it said that it had raised a fault for its IT staff to investigate, but that it had no idea when it might be fixed. Whether it may by now have resolved that or not I don't know, and it isn't relevant to this decision.

Mr B wondered if he was being discriminated against because of his age, but I have seen absolutely no evidence of that. Bank of Scotland invited him to apply for a loan by another method – he has never been categorised as ineligible to apply. It's simply that the online banking platform wouldn't allow him to make that application, for IT reasons. However, he says that using, "...an *alternative method is just not acceptable*". He is, of course, fully entitled to that view, but it is not one that I share, and I can certainly not instruct Bank of Scotland to offer services to him in a particular form. He was not disbarred from applying for a loan: he simply elected not to do so either in person or on the 'phone. That is a matter for

him.

Given that Mr B has not applied for a loan, and therefore has not been credit searched or turned down for borrowing by Bank of Scotland, I have seen no evidence to suggest that this situation can in any way have impacted his credit score. I think it is far more likely than not that another issue has led to that and it has no link to Bank of Scotland's actions.

Mr B was offered the option of applying to Bank of Scotland in person or by 'phone, and indeed seems to have been entirely free to apply to a different lender online if that was the only way he was prepared to find credit. There has been no suggestion that those options weren't possible for him. So the fact that he didn't arrange the borrowing he needed as planned, and therefore didn't buy a new car when he expected, was entirely his choice. The decline in value of his car, and the occurrence of an accident which has apparently impacted his motor insurance position, have no link to Bank of Scotland's actions.

It is my role to put things right where a business has made a mistake which has impacted negatively on a customer. The mistake that Bank of Scotland made here was in inconveniencing Mr B by being unable to offer him the full online banking service he wanted. That is inconvenient, but I have been given no evidence to suggest that mistake has had any other impact on Mr B. So I think £100 was fair and reasonable compensation for both the inconvenience and to cover the potential costs, such as call charges, of applying in a different way, and I won't be directing it to do anything else.

My final decision

For the reasons I've explained, I don't uphold this complaint and Bank of Scotland doesn't need to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 May 2024.

Siobhan McBride
Ombudsman