

## **The complaint**

D complains about longstanding problems operating its business current account with Bank of Scotland plc.

## **What happened**

D, a limited company, has a business current account with Bank of Scotland. D also has another business current account with Lloyds, a business that forms part of the same group companies as Bank of Scotland. Both accounts have been open for several years.

D's director, Mr H, has told us that over the years, he's experienced significant problems operating the account with Bank of Scotland and that the services offered are limited. In 2018, when faster payments were rolled out to business bank accounts, they didn't work for D's account. Mr H has also explained there have been repeated problems accessing the telephone banking facility due to passwords and secret information being reset without warning. Daily text alerts that had been sent to Mr H stopped and despite raising a complaint, weren't reinstated. There have been other technical issues that impact how D can operate its account as well.

Mr H has raised multiple complaints to Bank of Scotland on D's behalf over the years. Bank of Scotland has issued final responses going back several years that detail the technical issues D's experienced. Bank of Scotland's final responses explained it has attempted to resolve the issues Mr H raised on D's behalf and paid compensation for the inconvenience caused. Bank of Scotland's more recent final responses have explained the technical issues experienced are likely caused by D operating business current accounts with both it and Lloyds. As a result of systems issues, Bank of Scotland's explained it can't offer D a full range of services other business account holders have. Bank of Scotland has suggested that one of the accounts is closed and merged with the remaining account which would mean only one part of the group of businesses would be operating it on D's behalf.

Mr H referred D's complaint to this service and it was passed to an investigator. In his submissions, Mr H explained he felt we should deal with D's complaints about both Bank of Scotland and Lloyds as one case. But the investigator explained that as D is operating accounts with both businesses, which are separate legal entities, our rules mean we have to look at each complaint in its own right.

The investigator agreed that the service provided by Bank of Scotland had fallen short and that due to issues that were outside of D's control, it was unable to access all the accounts full services. But the investigator thought Bank of Scotland had fairly investigated the issues D had raised over the years and ultimately reached the difficult conclusion that it was unable to fix the systems problems. The investigator thought the recommendation to close one of the accounts was reasonable given the history of D's complaints.

Mr H asked to appeal D's complaint and explained that opening a new account with another business may not be possible. Mr H also said that he had previously been assured that both accounts were operating entirely separately and wouldn't interfere with the other. As Mr H asked to appeal D's complaint, it's been passed to me to make a decision.

## **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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand why Mr H wants us to look at both cases as one, given the issues raised appear to be caused by a shared banking system operated by both Bank of Scotland and Lloyds. But whilst both businesses form part of the same group, they are separate legal entities in their own rights. The rules the Financial Ombudsman Service operates under don't allow us to consider complaints about two businesses at the same time – even if they're part of the same banking group. And whilst I note Mr H's comments, I'm satisfied I can fairly reach a decision about Bank of Scotland's actions in this case.

All parties agree concerning the timeline for D's complaint and the issues it's experienced using its Bank of Scotland business bank account. I can see that the services available to D are limited, including a lack of faster payments and text reminders. There's also a clear problem with telephone banking passwords being deleted and secret information not being available when attempting to reset them, amongst other things. And Bank of Scotland has dealt with multiple complaints from D concerning the problems faced and upheld them. I've looked at all the final responses Bank of Scotland has issued and I can see it's repeatedly attempted to investigate and resolve the technical problems Mr H has found when trying to use D's business account.

The final responses and Bank of Scotland's submissions to us explain that despite investigating and attempting to fix the problems, it's unable to resolve them. Bank of Scotland's advised that the issues D is experiencing are most likely being caused by its system attempting to merge data with the other account operated by Lloyds. Bank of Scotland has also explained the systems problems have led to data held being deleted. Ultimately, I'm satisfied that Bank of Scotland has investigated the technical issues and sent final responses that confirm it's unable to fix them.

Whilst I completely understand why Mr H finds the response unacceptable, I can't force a business to fix a problem it's already investigated and confirmed can't be resolved. And, given the complaint history here, I'd have expected Bank of Scotland to have already found a resolution if one was available. So whilst I understand why Mr H is unhappy with Bank of Scotland's stance that the problems can't be fixed as the accounts stand, I'm satisfied that's most likely the case.

Bank of Scotland has explained that if one of the accounts was closed, D's issues should be resolved. Bank of Scotland says that if it and Lloyds were no longer operating separate accounts on a shared banking system the remaining account should operate as normal. I appreciate Mr H's comments and why he may be unwilling to close one of the accounts. But I'm satisfied Bank of Scotland has investigated the technical issues raised as far as possible and explained why they can't be fixed. I leave it to Mr H to decide how he wishes to proceed on D's behalf.

Bank of Scotland's final responses paid compensation to D on various occasions, totalling at least £825 since 2021. I'm satisfied that in addition to investigating the technical issues raised, Bank of Scotland has paid settlements to D that fairly recognise the level of inconvenience caused overall. As I'm satisfied Bank of Scotland has investigated the issues raised and paid a settlement that is fair and reasonable in all the circumstances, I'm not telling it to do anything else.

### **My final decision**

My decision is that Bank of Scotland plc has already agreed a settlement that is fair and reasonable in the circumstances of D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 14 March 2024.

Marco Manente  
**Ombudsman**