

## **The complaint**

Mr H is unhappy that Bank of Scotland plc, trading as Intelligent Finance ("IF"), have decided to close his current account.

## **What happened**

Mr H has an offset mortgage with IF, which he offsets against the balance he maintains in his IF current account. In October 2023, IF wrote to Mr H and informed him that they had made the commercial decision to no longer provide current accounts and that therefore they would be closing Mr H's current account in February 2024. Mr H wasn't happy about this and felt that IF should be obliged to provide him a current account from which he could offset his IF mortgage for the remaining term of his mortgage. So, he raised a complaint.

IF responded to Mr H and confirmed that they would be closing his current account in February 2024, and they explained that Mr H could continue to offset his mortgage with them using his IF savings account. But IF did acknowledge that Mr H would be inconvenienced by having to use his savings rather than his current account moving forwards, and they paid £3,500 to Mr H as compensation for this. Mr H wasn't satisfied with IF's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel IF had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr H remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

IF have explained that they've taken the commercial decision to close all IF current accounts, meaning that they will no longer provide a current account service. This is a commercial decision which I feel that IF is fairly and reasonably entitled to make. And I don't feel that IF should fairly or reasonably be instructed to keep Mr H's IF current account open because he wants to use that account to offset his mortgage.

One of the reasons I take this position is that after the closure of his current account, Mr H will still be able to offset his mortgage using his IF savings account. As such, Mr H can move the offsetting balance from his current account to his savings account and continue to offset his IF mortgage in the same way as he has been.

This means that it isn't the case that IF are preventing Mr H from offsetting his mortgage with them but are instead requiring Mr H to offset his mortgage using a different account (his IF savings account). And so, I don't agree with Mr H's claim that IF closing his current account will incur him significant cost, because Mr H can still obtain the financial benefit of offsetting his mortgage by using his IF savings account.

Mr H has said he prefers to use a current account to offset his mortgage because he can

use that account for his monthly outgoings, direct debits, etc, which he won't be able to do if he uses his IF savings account. But I don't feel that Mr H's preference in this regard reasonably outweighs IF's right to choose which products and services that they offer.

Mr H can, of course, open a new current account with another provider and use that account for his regular banking. And, so long as Mr H maintains the requisite balance in his IF savings account, he can continue to offset his IF mortgage, as previously explained. And while I appreciate that Mr H will be inconvenienced by having to do this, I feel that the £3,500 payment that IF have already made to Mr H already represents fair compensation for this inconvenience over the remaining term of the mortgage.

All of which means that I don't feel that IF have acted unfairly here as Mr H contends, and it therefore follows that I won't be upholding this complaint or instructing IF to take any further or alternative action. I realise this won't be the outcome Mr H was wanting, but I trust that he'll understand, given what I've explained, why I've made the final decision I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 31 May 2024.

Paul Cooper  
**Ombudsman**