

The complaint

Mr N complains, in his capacity as a trustee of T, that it wasn't possible to access T's account with Bank of Scotland plc due to issues with the account mandate.

What happened

An account was opened with Bank of Scotland on T's behalf in relation to their limited company pension scheme. According to Bank of Scotland's records, they contacted Mr N in May 2016 to request a mandate to update their records. For the following two years, it appears as though there was ongoing communication from Bank of Scotland regarding this mandate and the case was closed several times because the correct mandate does not appear to have been recorded as received.

From January 2022, further requests were made by Bank of Scotland in relation to a new mandate but there were several issues with this. It appears that an incorrect form was initially provided by Bank of Scotland and they later had to be chased for the correct version. Once this was provided, further queries were raised by Bank of Scotland in relation to the signatures held by the Bank. It appears that the matter was then closed by Bank of Scotland since these issues were not resolved.

A complaint was made to Bank of Scotland which said that it had not been possible to write payment cheques for the pension since January 2022 and this had affected the ability to pay bills that were owed.

Bank of Scotland sent several final response letters. The first in February 2022 upheld the complaint and offered £50 in compensation. In November 2022, Bank of Scotland sent a final letter in which they agreed to increase this compensation to £200.

The complaint was then brought to us. In this complaint, it was said that the fact that Bank of Scotland needed a mandate wasn't through any fault of T's and that the inability to write pension payment cheques meant that debts owed could not be paid. It was also said that many phone calls had been made together with several visits to the branch but that Bank of Scotland had been unable to resolve the issues with the mandate.

Our Investigator upheld the complaint saying that:

- It was reasonable for Bank of Scotland to require a correctly completed bank mandate
- Bank of Scotland didn't provide a suitable level of support and guidance
- A reasonable goodwill payment should be £500 in total

We were unable to confirm whether the Investigator's view was acceptable for T and so the matter has 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.

Having done so, I have reached the same conclusion as our Investigator and will be upholding the complaint.

Given that Bank of Scotland have agreed in their final response letters that they did not provide a reasonable level of service, it seems clear that there is no dispute that errors were made by them. The question for me to consider therefore is whether or not the level of compensation provided was reasonable and, if not, what additional sums should be awarded.

From a review of the notes provided by Bank of Scotland together with the correspondence on the matter, it is apparent that there were several failings by Bank of Scotland that led to the complaint. The wrong mandate form was provided on at least one occasion and a failure to follow up correspondence also led to the matter being closed which added to the delays experienced.

In internal correspondence provided by Bank of Scotland, it can be seen that the matter of the complaint was discussed and it was acknowledged both that new complaints were made void because of an existing complaint but that the existing complaint was never actually re-opened. It is also apparent that the mandate required to be sent to Mr N and requested by him had still not been actioned around 4 months after the original complaint.

Mr N has said that there were no issues with cheques being honoured by Bank of Scotland prior to January 2022 despite there being evidence that Bank of Scotland had begun discussing a new mandate as early as 2014. Altogether it seems that there was a need to contact Bank of Scotland on several occasions by telephone as well as several visits to a branch in an effort to resolve the issues being faced. It has been suggested that there was a lack of care by Bank of Scotland and that bank staff could not provide a conclusive answer on what was required and a new mandate form was required on several occasions in spite of completed forms having been provided already.

Altogether, I think the impact of the difficulties faced with obtaining a new mandate from Bank of Scotland were significant. I do not think it was unreasonable for Bank of Scotland to require any of the trustees to update either their mandate or the signatures held for them. However, this matter could have been dealt with reasonably quickly and without inconvenience had some simple steps been taken.

Bank of Scotland should ensure that, when they ask their customers to complete any forms, they are given clear information about what is required and, once this information is received, it should be reviewed without delay and in a way which minimises errors. I understand that mistakes sometimes happen, including sending incorrect forms out on occasion, however the evidence in this matter suggest that mistakes were repeated and compounded by a lack of attention to detail by those reviewing together with a failure to properly review the background or ensure the correct process was followed.

The service provided by Bank of Scotland therefore does not meet the required standard and I agree that T should be compensated for this.

To make up for the time spent following up the requests from Bank of Scotland as well as the inconvenience of being unable to access the account, I think the bank should pay £500 in compensation. Given that Bank of Scotland have already paid £200, they should pay a

further £300 to ensure the total compensation received is £500.

Putting things right

I direct Bank of Scotland plc to pay a further £300. This is to be paid in addition to the £200 previously paid.

My final decision

For the reasons explained above, I uphold the complaint.

Bank of Scotland plc should pay £300 in addition to the £200 they have already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 20 June 2024.

Rana Chatterjee
Ombudsman