

The complaint

Mr I, a sole trader, has made a wide ranging complaint about the service provided to him by Bank of Scotland plc.

What happened

Mr I told us he is unhappy about the way Bank of Scotland has communicated with him. In particular, he says the bank:

- Failed to note the telephone concerns he raised during a meeting in November 2021, then failed to respond to those concerns.
- Sent him a letter on 15 March 2022 without the correct postage, resulting in him having to pay a £2 surcharge and the letter being delayed.
- Set a deadline of 29 April 2022 for him to provide information, despite knowing it would be difficult if not impossible for him to respond at year end.
- Failed to wait for his response to its deadline, and prematurely wrote to him on 28 April 2022 (a letter which did not arrive until 3 May 2022).
- Made no attempt to understand his business, and ignored the information he provided to it.

Bank of Scotland told us:

- Mr I has taken out various loans through Bank of Scotland since July 2013. In 2013 he borrowed £330,000 on a fixed rate basis, followed by further fixed rate loans for £80,000 in 2015 and £70,000 in 2019. It also agreed a £70,000 overdraft in May 2019.
- It became concerned about Mr I's borrowing in September 2019, and in April 2020 it transferred his accounts to its Business Support Unit. Since then it has attempted to engage with Mr I with the aim of his reducing or repaying his overdraft, but Mr I's behaviour has hampered any progress. For example, Mr I has repeatedly said that he intended to raise various issues as part of a "Master Complaint", then failed to do so. Mr I did not provide the financial accounts it had requested in order to support the facility, he did not pass funds through his account so the overdraft wasn't hardcore, nor did he enter into an agreement about how the overdraft was to be repaid.
- Mr I has always been free to transfer funds through his accounts with it, regardless of any on-line transfer limits available via its Internet Bank facility. Mr I has chosen to operate his Bank of Scotland accounts in the way that he has.
- It is no longer prepared to offer an overdraft facility to Mr I.

One of our investigators looked at this complaint, but she did not uphold it. Mr I did not accept her conclusions, so the matter was referred to me.

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, there is very little I can add to what our investigator has already said. I agree with her that Bank of Scotland has treated Mr I fairly, and I make no award.

Both parties have provided extensive submissions setting out their position on this complaint. I confirm I have read those submissions in full, but I have not set out my findings in the same level of detail. I mean no discourtesy by that; it simply reflects the informal nature of the Financial Ombudsman Service.

Similarly, as an ombudsman my role is to identify and respond to the substance of a complaint against a respondent firm. I am not required to respond to every single allegation raised, and I have not done so here.

I am satisfied that the underlying issue in this complaint is that Bank of Scotland does not like the way in which Mr I has managed his accounts, and Mr I does not like the way in which Bank of Scotland has communicated that displeasure.

Mr I has made clear that he is complaining about the bank's communication only. He is not complaining about its refusal to provide additional borrowing, and so (other than to the extent necessary to consider Mr I's complaint about the bank's letter of 28 April 2022) I have not assessed whether the bank treated Mr I fairly when making those decisions. My investigation is limited to the way the bank communicated with Mr I, and the service it provided to him.

It is clear that the level of service Bank of Scotland provided is substantially below the level of service that Mr I wished to receive. But that does not in itself imply that the bank has done anything wrong.

As an example, Mr I says that Bank of Scotland failed for nine years to move him onto a higher level banking platform more suitable for the needs of his business, and that it has still not done so. It is of course open to Mr I to conclude that Bank of Scotland's services are not appropriate for his business. But Bank of Scotland is nevertheless entitled to make a commercial decision about the level of service it will provide, and about how it will provide that service.

Mr I is unhappy about the conduct of a specific member of Bank of Scotland's staff. Having considered the evidence, I do not have any concerns about that staff member's actions. The relationship between Mr I and that staff member was a difficult one, but I am not persuaded that the staff member did anything wrong.

Bank of Scotland is not required to ensure that Mr I has a named contact to discuss his banking issues. It may have chosen to do so during some periods, but I don't think it would be fair for me to criticise the bank for not always giving Mr I a named contact. Similarly, I do not criticise the bank for failing to immediately replace a named contact who became unwell, nor for providing a named contact whose location meant it was not practical for them to meet with Mr I personally.

In addition, Bank of Scotland is entitled to choose to use post rather than email to communicate with its customers. I realise that Mr I would much prefer that the bank use email, but I don't think it treated him unfairly by sending him letters through the post.

It is unfortunate that one of the bank's letters reached Mr I without the appropriate postage, but the bank has apologised and refunded the £2 surcharge. I don't think it would be fair for me to order it to do anything more.

Mr I has said that the bank's letter of 28 April 2022 and its "premature issue" is the crux of his complaint, and I have therefore considered that letter carefully.

The context for the bank's 28 April 2022 letter was that the bank had been considering whether it was prepared to continue to provide an overdraft facility to Mr I. It had previously written to him to explain that it was prepared to allow his overdraft to continue at its (then) current level until 30 April 2022 to allow him time to provide the information it had requested he provide by 29 April 2022. It then wrote to him on 28 April 2022 (one day before the deadline) to say that his failure to provide the information it had requested meant that the bank now required him to repay his overdraft in full by 9 August 2022.

Our investigator considered that the bank's 28 April 2022 letter effectively gave Mr I an extension of time in which to repay his overdraft. I agree with her. I have seen nothing to suggest that the bank indicated before 28 April 2022 that it would certainly be extending Mr I's overdraft after 30 April 2022; it said only that it would consider doing so.

In the circumstances, I don't think the bank's decision to write to Mr I on 28 April 2022 rather than 30 April 2022 was material. I do think it would have been helpful if the author of the letter had acknowledged the bank's previous 29 April 2022 deadline and explained that he was writing to Mr I early because he was about to go on leave, but ultimately I don't think his failure to give that explanation makes a difference. It is evident that the bank did later take into account the evidence Mr I provided on 29 April 2022, yet the bank was still not willing to continue to offer an overdraft facility to him. That was a commercial decision that the bank was entitled to make, and I see nothing unfair about the way that it made its decision.

I acknowledge that Mr I will strongly disagree with my findings, but looking at the matter as a whole I consider that Bank of Scotland's communications were fair and appropriate.

My final decision

My final decision is that I do not uphold this complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 28 October 2024.

Laura Colman
Ombudsman