

The complaint

Mr A complains about the service he received from Bank of Scotland plc in relation to his credit card account. In particular, he says that he was given incorrect information about making payments and wasn't kept informed about the status of his account.

What happened

Mr A held a credit card account with Bank of Scotland. In 2022, he complained about the way Bank of Scotland had dealt with some disputed transactions on his account which, he said, left him with a large balance to repay. That complaint was dealt with separately and is not what I'm looking at here, but it's relevant background to this complaint.

As part of the resolution to the original complaint, Bank of Scotland agreed to waive interest on Mr A's account for six months from December 2022 and then review the situation. This was agreed during a phone call between Mr A and the complaint handler and was followed up in writing. Mr A said at the time that he could pay around £20 each month towards the outstanding balance and the complaint handler told him to pay as much as he could afford.

Between December 2022 and June 2023, Bank of Scotland's Customer Financial Assistance department wrote to Mr A several times about arrears on his account. It sent him a Default Notice in April 2023.

In June 2023, the complaint handler wrote to Mr A again and noted that he was not meeting the minimum payments on his account. She applied a further interest waiver for one month but asked Mr A to contact the Customer Financial Assistance department to discuss his financial situation. This letter was closely followed by a further letter from that department saying it hadn't heard from Mr A in response to the Default Notice. It asked Mr A to pay the arrears or get in touch, otherwise it would end his credit card agreement and register a default with the Credit Reference Agencies.

Following receipt of this letter, Mr A called Bank of Scotland. He said he'd received the Default Notice, but he had a plan in place. He said he hadn't been able to keep up the payments due to health issues. He raised a complaint, saying he'd been given incorrect information about what he should pay. He also said that Bank of Scotland hadn't kept him informed about the status of his account or told him that his credit file would be affected.

Bank of Scotland placed Mr A's account on hold for 30 days and agreed to waive interest until things improved for him. No further interest has been applied to his account.

Bank of Scotland responded to the complaint in July 2023. It agreed that, during the call in December 2022, the complaint handler told Mr A to pay what he could afford. It accepted that she didn't explain he would still need to make the minimum payments shown on his monthly statements. It said she should have made it clear that Mr A would need to contact the Collections team if he couldn't do this. Bank of Scotland paid Mr A £40 as an apology for not making this clear. But it declined the other part of his complaint, saying that Mr A was informed of the status of his account on numerous occasions, through statements and letters.

Mr A wasn't happy with Bank of Scotland's response and brought the complaint to this service. He said he was told during a telephone call that he could ignore the letters as they were generated automatically. He couldn't remember when this call took place but made a subject access request to Bank of Scotland. He says it provided numerous calls, but these didn't include the one where he was told to ignore the letters. He referred to the call from December 2022 and said this had not been provided.

Our Investigator thought Bank of Scotland had acted fairly and didn't ask it to do anything else. But Mr A didn't agree and asked for the complaint to be reviewed by an Ombudsman.

As part of my review, I asked Bank of Scotland for the call recording from December 2022 which it provided.

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 find that Mr A didn't make the contractual minimum monthly payments to his account after January 2023. Bank of Scotland accepts that it didn't make clear during the call in December 2022 that Mr A would need to keep making these payments. But I'm satisfied that the usual contractual arrangement remained in place. No payment plan was put in place and there weren't any changes to Mr A's agreement with Bank of Scotland. So, he remained obliged to make the minimum monthly payment, in line with the terms and conditions of his account.

I think it's understandable that this wasn't clear to Mr A based on the December call. But I think it was clear from the letters which followed. Bank of Scotland wrote to Mr A numerous times between February and September 2023. I think all the letters made it clear that his account was in arrears and that he needed to take action – either by making a payment or contacting Bank of Scotland. I'm satisfied that the status of his account was also clear from his statements. I find that all the letters stated Mr A's credit file could be affected by the situation. And I'm satisfied that Bank of Scotland sent Mr A a Default Notice in April 2023. So, I think it was made clear to him on multiple occasions that his account was in arrears and at risk of being defaulted, with potential consequences for his credit file.

Mr A says he was told to ignore these letters during a call with Bank of Scotland. He couldn't remember when but thought it may have been on the call with the complaint handler in December 2022. I have listened to that, and I'm satisfied that Mr A was not told to ignore any letters during that call. I find that there were no further calls between the parties until June 2023. In the meantime, Mr A was sent several letters about the arrears, including the Default Notice. On the evidence available, I don't find that Mr A had been told to ignore these letters.

I think it's reasonable to expect Mr A to have contacted Bank of Scotland about the letters, especially if he thought there was an arrangement in place. But he didn't do so until June 2023. I understand that Mr A's personal circumstances have been very difficult and so it may not have been easy for him to contact Bank of Scotland. But, given the serious nature of the letters, I think some contact during that six-month period ought to have been possible.

Alternatively, if Mr A couldn't get in touch with Bank of Scotland, he could have made some payments. But there were very few payments to his account during 2023 so, even if Mr A thought there was a plan in place, he wasn't keeping to it.

Mr A says he didn't know he had to keep making payments and thought they had been put on hold while the complaint was being investigated by this service. I haven't seen anything to

suggest he was told to stop making payments. And I'm satisfied that Bank of Scotland continued to write to him about the arrears between July and September 2023.

Bank of Scotland has confirmed that the account was defaulted in October 2023. I think that was fair. I realise Mr A is unhappy about the default and the impact on his credit file. But I'm satisfied that he was given enough warning before this happened. And I think he had the opportunity over several months to come to an arrangement with Bank of Scotland if he wanted to try to avoid the default.

Taking everything into account, I think Bank of Scotland acted fairly here. I think it has already done enough to apologise for the lack of clarity on the call in December 2022 and I don't think it needs to do anything else. So I'm not going to uphold this complaint.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 March 2025.

Katy Kidd
Ombudsman