

The complaint

Mr C complains about the service received from Bank of Scotland Plc ("BOS") when setting up a savings account for Mrs C who he holds Power of Attorney (POA) for. In particular, he is unhappy that interest was paid to an account he doesn't recall nominating.

What happened

Mr C holds a Power of Attorney for his mother Mrs C which was registered with BOS on 11 March 2024.

On behalf of Mrs C, Mr C set up a savings account ending in 9565 with BOS on 11 April 2024. But BOS's records show that this was set up in Mr C's name rather than Mrs C and that a standing order was set up on the same day with the first interest payment to be paid on 13 May to be sent to Mrs C's current account.

Following this Mr C noticed an entry on Mrs C's current account for a sum of money as follows:

'transaction type is listed as standing order (50) and see all payments from %MERCHANT%.'

Although Mr C suspected it was an interest payment from the savings account he'd set up he queried what this was and where the funds came from with BOS as he didn't recall nominating an account to receive the interest payments.

Mr C was unable to get a satisfactory answer from BOS about this and was told he would have to set up a password to discuss Mrs C's accounts via telephone banking acting as her attorney. It was also suggested Mr C had set up the account wrong. Mr C made a data subject access request (DSAR) for the account application, but BOS unfortunately wasn't able to find it.

Mr C proceeded to set up another savings account and found the process to be very different. On this occasion he says he was asked where interest should be paid to but that he doesn't recall being asked this when setting up the initial account.

Mr C complained to BOS about all of this.

BOS didn't uphold the complaint stating in its final response letter dated 9 July 2024 that two credits were received into Mrs C's current account from savings account ending 9565 - held in Mr C's name - and could not be recognised possibly due to not having a reference or that Mr C had nominated Mrs C's current account to receive interest payments from the savings account.

BOS explained while its complaints team were able to discuss Mr C's complaint with it without a password set up its POA team wasn't allowed to disclose any information on Mrs C's account without setting up a telephone banking password as they were two different teams with different processes. Without a telephone banking password Mr C can only

discuss Mrs C's account in branch. BOS offered to set up a telephone banking password to allow Mr C to access and discuss Mrs C's accounts as her attorney, but Mr C rejected this offer.

BOS issued a further final response letter on 22 August 2024 upholding part of the complaint regarding not nominating an account for interest payments – as it had no proof Mr C had nominated an account as it wasn't able to find the application. BOS agreed that the information about the interest credits on the statement should've been clearer and that it was likely due to a system error. BOS paid compensation of £121.08 representing £50 for distress and inconvenience and £71.80 to cover four monthly interest payments into the savings account ending 9565.

Mr C remained dissatisfied with this as he believes the savings account was opened for Mrs C and doesn't recall seeing an option to nominate an account for interest on the savings account to be paid to.

BOS say when Mr C applied for the savings account it was in his name and so he was the legal owner and that nominating an account for the interest payments would've been done at the time of application and it wouldn't have been able to set up the standing order without Mr C confirming the account details for the interest to be paid to. BOS says it hasn't been able to identify an error was made by it with the set up of the savings account or the interest being paid to Mrs C's current account.

BOS provided Mr C with a number to call if he wished to remove the nominated account to receive interest, but Mr C has continued to have the interest paid into Mrs C's current account.

Mr C was dissatisfied with this and so brought the complaint to this service. Mr C wants BOS to provide a written apology acknowledging the service BOS provided was unacceptable and that it made a mistake in the first instance.

One of our investigator's looked into Mr C's concerns and agreed that it was disappointing that BOS was not able to find the initial savings account application and that it could've provided better service when addressing the concerns raised. But overall, without a copy of the application there wasn't enough to say BOS set up the account incorrectly or that Mr C hadn't nominated Mrs C's current account to receive interest. Furthermore, the evidence BOS supplied regarding the customers journey and process of opening accounts with it mirrored the experience Mr C had when setting up the second account and confirms customers are asked to provide details of a nominated account.

They agreed the service could've been better but didn't think BOS needed to do anything more as it had admitted this, paid compensated £121.08 in total and provided Mr C with a way to address the issues had with its telephone banking which they thought was a fair and reasonable way to resolve the complaint.

Mr C disagreed and has asked for an ombudsman's 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 hope that Mr C won't take it as a discourtesy that I've described and condensed this complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr C's complaint is that BOS made an error when the savings account

ending in 9565 was set up resulting in Mrs C's current account receiving interest and the customer service received when trying to resolve the issue.

It might be helpful for me to say here that as we are not the regulator, I cannot make BOS change its IT systems or processes – such as how accounts are set up or how it displays and communicates information to its customers on their accounts. These are commercial decisions and not something for me to get involved with. Nor is it my role to punish or penalise BOS for the mistakes it makes – that is the role of the regulator in this case the Financial Conduct Authority.

My role rather is to see whether BOS have made a mistake or treated Mr C unfairly and if it has decide what BOS needs to do to put that right.

In this case there is no dispute that something went wrong when Mr C initially set up what he thought was a savings account in Mrs C's name. What is in dispute is what went wrong and who is responsible for it.

And having considered all the evidence carefully including Mr C's testimony and BOS's records and processes, I'm in agreement with our investigator and don't think there is anything much more of use I can add.

Without a copy of the application, it is not possible to tell what information was inputted by Mr C or how the account was set up or if Mr C was asked to nominate an account for interest, so I can't say that BOS made an error here. But I don't think this matters. What I think matters and what I think I need to decide is if BOS discovering the various issues Mr C has had has done enough to resolve them in a fair and reasonable way.

And I think it has. Mr C expected for interest to be credited to the savings account he'd thought he'd set up for Mrs C but this didn't happen. So BOS has paid into the savings account £71.80 in missing interest payments - despite Mrs C still receiving this into her current account (meaning BOS has paid the intended beneficiary twice). BOS says it did this because it had lost the account application form and so it had no proof that Mr C had nominated an account for interest. And as BOS have given Mr C a number to call to remove the nominated account for interest, I consider BOS to have done all it reasonably can to resolve this issue.

BOS have also accepted that the information on the bank statement should've been clearer and was likely an error and compensated £50 for the inconvenience this caused. I think this is fair for the inconvenience this caused and is in-line with what I'd usually recommend. Sometimes things don't go smoothly and technical errors occur but that doesn't mean it automatically follows that BOS has acted unfairly.

I appreciate Mr C's frustration that BOS wouldn't and couldn't provide him with all the information requested at the outset and that it required Mr C to set up a telephone banking password to discuss Mrs C's account outside of branch. But as I stated above it is not for this service to tell BOS how it runs its business and security processes and BOS did offer to set up a telephone banking password to allow Mr C to access and discuss Mrs C's accounts as her attorney, but Mr C rejected this offer.

So I can't say BOS acted unreasonably here or made a mistake. And so it follows that I think what BOS has done to resolve things for Mr C is fair and I'm not going to ask BOS to do anything more.

My final decision

For the reasons I've explained I think what Bank of Scotland plc have done to resolve Mr C's complaint brought on behalf of Mrs C is fair and I'm not going to ask it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 May 2025.

Caroline Davies
Ombudsman