

The complaint

Mr M says Bank of Scotland plc (BoS) refuses to refund him for two ATM withdrawals and then closed his account.

What happened

The facts of this complaint are well known to both parties, so I won't repeat them in detail here.

In short, Mr M disputed two ATM withdrawals from his BoS account. One from 19 December 2024 for £100; one from 6 January 2025 for £130. BoS refunded the first dispute for £100 while it investigated what happened and then decided to reject the complaint and re-debit the funds. Mr M isn't happy with this and wants BoS to refund him the £100 with interest and compensation. BoS also refunded the money for the second ATM withdrawal for £130 while it investigated this complaint. Mr M withdrew this money from his account, leaving a minimal balance. BoS decided not to uphold this complaint but couldn't re-debit the funds as the funds were no longer available. BoS then decided to close Mr M's account and gave him two months' notice.

BoS says both ATM withdrawals were carried out successfully, so Mr M was not due a refund for either dispute. Therefore, Barclays says Mr M has already received £130 more than he is entitled to. It also says it made a business decision to close Mr M's account and gave him the required notice, so it doesn't think it has done anything wrong.

Our investigator considered this complaint and upheld Mr M's complaint about the ATM dispute from 19 December 2024 for £100. He said BoS should refund this money with an additional 8% interest. The investigator felt that BoS hadn't done anything wrong in closing Mr M's account, so it didn't need to do anything further in this regard. BoS accepted the investigator's outcome, but Mr M didn't. So, the complaint has been passed to me for 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.

The investigator upheld Mr M's complaint regarding the ATM withdrawal of £100 from 19 December 2024 and asked Barclays to refund Mr M the £100 with 8% simple interest. As this part of the complaint has been upheld, and BoS has accepted this, there is nothing more for me to investigate on this dispute.

In relation to the dispute for £130 from 6 January 2025, BoS has provided evidence that it refunded this money immediately, while it investigated the complaint. It decided not to uphold this complaint and tried to re-debit these funds. However, the evidence shows Mr M had already taken this money out his account so there were no funds available for BoS to re-debit. So, I am satisfied that Mr M has already received this refund from BoS for the second

ATM dispute, and there is nothing more I would be able to award on this dispute even if I had decided the money hadn't been dispensed correctly.

Mr M says the 8% interest doesn't compensate him for the time and stress this caused, and he says he has suffered financially as a result. However, 8% simple interest is the same amount that would usually be awarded by the courts when looking at such scenario. At the Service we feel this amount is on par or more than the interest Mr M is likely to have been able to earn at any other high street banks. So, this feels fair.

I have also considered whether any other compensation is due. I can see that Mr M was refunded for both transactions immediately, so he wasn't left without any money for essential expenses. I understand Mr M is frustrated by the situation and inconvenience of having to make a complaint. But I haven't found any evidence that BoS mishandled his complaint or caused unnecessary delays which would warrant additional compensation. I've seen that they provided the required two months' notice of the closure of his account in writing, and as this was a business decision, I am unable to ask it to reverse this time.

Putting things right

As set out by the investigator and agreed by BoS, Bank of Scotland plc (BoS) should refund Mr M £100 for the ATM dispute from 19 December 2024. It should also add 8% simple interest to this amount for the time Mr M has been out of pocket.

My final decision

For the reasons outlined above, I am upholding this complaint. Bank of Scotland plc (BoS) should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 June 2025.

Sienna Mahboobani
Ombudsman