

The complaint

Mr B complains that Bank of Scotland Plc (BOS) closed his accounts.

What happened

Mr B held several accounts with BOS including, a basic, savings, current and credit card account. In November 2024, BOS wrote to Mr B to inform him that his accounts were to be closed with 65 days' notice and that he wouldn't be able to open new accounts with BOS or any other banks in the same banking group, in the future.

Mr B was unhappy because he considered BOS hadn't contacted him prior to closing his account to ask any questions it might've had. And when Mr B visited a BOS branch to find out the reason behind the closure of his accounts, he wasn't provided with one. So, Mr B made a complaint to BOS about the closure of his accounts and his inability to open any new accounts.

In December 2024, BOS issued a response to Mr B's complaint. It explained the account had been closed in line with the account terms and an explanation for its decision wouldn't be provided to Mr B. BOS also reiterated its position regarding Mr B opening new accounts with it.

Mr B referred his complaint to our service. He explained the distress that had been caused by the situation and shared with us why he thought BOS might've decided to close his account – which he considered to be unfair. Mr B also remained unhappy that he would no longer have access to finance from BOS or the other banks in its banking group should he wish to apply in the future. He felt this limited his options and would cost him more to borrow money, as a result.

One of our Investigators looked into things and decided not to uphold the complaint. In summary, they said:

- BOS didn't need to provide Mr B with a reason for closing his accounts and it didn't act unfairly by not sharing these reasons with Mr B
- The accounts were closed in line with the terms and conditions as Mr B was provided with 65 days' notice and had time to seek alternative banking facilities
- Mr B's basic account was closed appropriately and fairly as he held a current account with a different provider at the time
- Whilst Mr B may encounter more expensive forms of borrowing in the future, BOS had fairly closed Mr B's account, so no error had been made

As there was no agreement, this complaint has been passed to me to decide. Mr B should note this decision doesn't deal with his credit card complaint. That is being decided under a separate reference at this service.

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 decided not to uphold this complaint. I understand this will be disappointing for Mr B, so I'll explain why.

A bank is entitled to close an account just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account that Mr B and Halifax had to comply with, say that it could close the account by giving him at least 65 days' notice. And in certain circumstances it can close an account immediately or with less notice.

I appreciate the decision to close Mr B's account has caused him concern. But having carefully considered the reasons BOS has provided to us in confidence, I think it has done so fairly and in line with the account terms and conditions, which Mr B and BOS had to comply with when the accounts were opened. BOS isn't obliged to share why it decided to close Mr B's accounts with him.

I'd also add that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information BOS has provided is information we consider should be kept confidential.

I realise Mr B is unhappy he won't be able to open new accounts with BOS nor other banks in its banking group, and the financial implications this might have on him in the future. BOS has a broad commercial discretion in who it wants to provide accounts to, and on what terms. I'm satisfied BOS acted in line with the terms of the account, and its decision not to allow Mr B to open accounts in the future is based on legitimate commercial discretion that it's entitled to exercise given the prevailing circumstances here.

Having considered everything, I think BOS have acted reasonably in the circumstances of the complaint. So, in conclusion, as I don't think BOS have done anything wrong in closing Mr B's accounts in the way it did, I see no basis in which to award any compensation for the distress and inconvenience this caused him.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 July 2025.

Khadijah Nakhuda
Ombudsman