

## **THE COMPLAINT**

Mrs M complains about the amount of compensation Bank of Scotland plc (“BoS”) has offered her.

Mrs M is represented by her husband in this matter. However, where appropriate, I will refer to Mrs M solely in this decision for ease of reading.

## **WHAT HAPPENED**

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

A credit card account (the “Account”) was opened in Mrs M’s name in 1995. This Account fell into arrears, with the resulting debt being sold by BoS to a debt collection company, Lowell, in August 2024. Mrs M says she first became aware of the Account in September 2024 when BoS/Lowell wrote to her about the selling of the debt. Mrs M says she had no knowledge of the Account before this point. As a result, she disputed being held liable for the Account with BoS. At first, in October 2024, BoS decided to hold Mrs M liable for the Account. However, in January 2025, after a reinvestigation, BoS decided to write off the debt, remove any defaults and pay Mrs M £200 compensation for poor service.

Unhappy with this, Mrs M asked our Service to consider her complaint about BoS. One of our investigators did this and thought that BoS should pay Mrs M a further £100 in compensation. BoS accepted the investigator’s findings, but Mrs M did not. Consequently, this matter has been passed to me to make a decision.

## **WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Key findings**

- It is not disputed that the opening of the Account was done fraudulently by a third-party. So, I am satisfied that any distress and/or inconvenience Mrs M has suffered in this respect, can only be fairly attributed to the third-party’s actions in opening the

Account – not BoS's. This logic also applies to the resulting default and selling of the debt concerned.

- Mrs M says she first found out about the Account in or around 4 or 7 September 2024. Consequently, Mrs M explained her position regarding the Account to BoS on 24 September 2024. BoS decided to continue to hold Mrs M liable for the Account and communicated this to her in October 2024. BoS later changed its position in January 2025.
- I think it is arguable that BoS should have reached the right outcome in its investigation the first time round – particularly given the sensitive nature of this complaint. I think it would only be fair however to hold BoS responsible for this when it first communicated its investigation outcome to Mrs M in October 2024.
- Mrs M says this whole situation has severely impacted her health – she has provided Fitness to Work certificates to support this. Mrs M has criticised the, amongst other things, “... *failed investigation and unreasonable assumptions by Bank of Scotland.*”
- The Fitness to Work certificates set out a combination of conditions Mrs M was experiencing at the time: bereavement, bereavement reaction, stress and anxiety. I have no doubt that BoS's October 2024 decision exacerbated an already stressful situation Mrs M was experiencing due to her late mother's passing and other personal issues that had come to light. However, I cannot safely conclude that the way BoS handled its investigation was the sole cause of Mrs M's health problems at the time. The Fitness to Work certificates do not support such a proposition.
- Mrs M is the only eligible complainant in this matter. So, any distress and/or inconvenience Mrs M's husband – as her representative – may have experienced during telephone calls with BoS, would not warrant any compensation.
- Given the nature of Mrs M's complaint about subject access requests raised with BoS, I feel it would be more suitable if these points were dealt with by the Information Commissioner's Office.
- I can see that BoS asked Lowell for the debt concerned to be recalled on 13 January 2025. Therefore, if Lowell has sent out any further correspondence concerning this, they would be at fault – not BoS.
- BoS says the default concerned, which was applied on 22 June 2022, was removed in February 2025. This was done within a reasonable timeframe from when BoS made its decision to remove the default in January 2025.

## **PUTTING THINGS RIGHT**

Taking all the above points together, I find that £300 is a fair and reasonable amount of compensation to reflect the distress and inconvenience Mrs M experienced in this matter. As I understand it, BoS has already paid Mrs M £200. If this is correct, BoS should pay Mrs M a further £100.

## **MY FINAL DECISION**

For the above reasons, I uphold this complaint and direct Bank of Scotland plc to pay Mrs M:

- £100 (this is in addition to the £200 Bank of Scotland plc state it has already paid Mrs M).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 4 November 2025.

Tony Massiah  
**Ombudsman**