

The complaint

P, a limited company has complained about the actions of Bank of Scotland plc when it closed its foreign currency account.

P is being represented by its director Mr S.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

B had a USD business current account with BOS, which was opened in June 2011. P last used the account more than 10 years ago.

BOS say it issued P with dormancy letters, explaining the inactivity on the account would lead to the closure of the account. Following these letters no activity occurred on the account so in April 2022, BOS closed P's account.

In March 2025, Mr S discovered an old cheque book for P's USD account and contacted BOS to find out if the account was still active as he was due to begin to receive more payments in USD. And wanted to use the account.

Initially BOS had trouble locating P's account due to BOS's merger with another bank, which meant P was given a new account. As a result, Mr S had to speak to several advisors in different departments, who told Mr S they couldn't locate P's account.

Mr S complained to BOS. He said he hadn't received any letters from BOS about P's account and asked BOS to reopen the account. In response, BOS explained that letters are issued when accounts have had no customer generated activity after 33 months, 36 months and 15 years. This is to let the account holder know the account has become dormant and at 15 years will be closed.

BOS said that the 33 and 36 month dormancy letters were issued more than seven years ago to P, so they no longer hold records of them. BOS agreed the service fell short when Mr S called to query the USD account. BOS apologised for any inconvenience the confusion caused Mr S and paid him £30 compensation. BOS offered a further £50 compensation because they couldn't show they'd sent P the dormancy and closure letters.

Mr S remained happy and said he wanted P's account reopened. BOS said it wasn't able to reopen the account. And that P no longer met the criteria to have a new currency account.

An Investigator reviewed the complaint and found that BOS had acted reasonably when it decided to close P's account and the compensation offered by BOS was fair. In summary, they found: -

- There is clear evidence that the account was not used for many years.

- BOS could have communicated more clearly to Mr S and explained the status of the account – that it would be closed. But it had done enough to put things right as P hadn't used the account for years and Mr S contacted BOS in 2025.

Mr S disagreed. So, the complaint has been passed to an ombudsman for a final 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.

It is common for banks such as BOS to have their own dormancy process. In general, there is no set time a bank or building society must use to determine that an account is dormant – there is only industry guidance and good practice. I have considered good industry practice which includes guidance for banks dealing with dormant accounts. This encourages banks to follow ten core pledges, which aims to ensure customers are provided with sufficient notice and they are treated fairly.

In P's case, BOS has provided this service with information regarding its process for dormant accounts. It explains that an account will be considered dormant after three years if there are no customer-initiated transactions. BOS say that the next time there is a transaction on the account, a letter is sent to the customer advising that the account is dormant and needs to be reactivated.

Mr S feels the closure of P's account was unfair. And he wants it reopened. It's generally, for banks to decide whether they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer account open. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. BOS has explained it would've kept the account open if it were to function like a standard current account. However, as there wasn't anything to suggest P would be using the account any differently, it explained the account would close and it would transfer the balance to a nominated account.

Regarding the dormancy notification letters BOS say they sent out, Mr S says he didn't receive the letters, so I have looked closely at the file to see whether it was likely these were sent out.

I can see from BOS's system notes which are date stamped show that BOS sent P a closure notice in April 2022. BOS have also provided copies of template letters they say would have been sent to P informing Mr S that P's account would be restricted due to dormancy and then closed because P hadn't used the account for more than three years. But due to the years that have now passed BOS have been unable to provide us copies of the actual letters it sent to P. I don't find this unreasonable. Businesses are not required to keep copies of correspondence it sends to customers indefinitely. As banks deal with many different types of letters and a number of years have now passed since the account was closed, I don't think it is either unusual or suspicious that BOS can't find the letters it says it sent to Mr S. But this means I can't say for any certainty that BOS sent P the letters.

However, I have been provided with copies of P's account statements, and I can see from these that the account had been inactive since 2013. And that it had a small balance of less than \$3.00 USD. BOS has also given our service details of its internal dormancy process, and the terms and conditions relating to P's account. These confirm that BOS could close an account it hadn't been used for a long time. Given no activity had taken place on the account

for more than 10 years, despite not being able to produce the letters, I find BOS more likely than not closed the account in line with its dormancy process.

BOS has apologised and offered P an additional £50 compensation for not being able to evidence it sent the letters. I think this is fair. I say this because although this was an account for P, I can't see that it was its main account for its day-to-day business. Further, in the years leading up to the dormancy the account hadn't been utilised for payments in. As such, I don't consider the impact to be so extensive that the compensation needs to be increased.

Mr S has said he wants BOS to reopen P's account because he says P will be receiving more payments in USD in the future. BOS has said it can't reopen P's account and have provided evidence to our service to show their processes don't allow for this to happen when an account has been closed due to dormancy.

I understand Mr S wants to know more about this process to ensure this is a valid reason. However, this information is commercially sensitive as it pertains to BOS's internal processes, so it wouldn't be appropriate for us to share this. But I have reviewed this and can assure Mr S the process has been followed correctly. In any event, whilst I'm very sorry to hear the account held a lot of potential future significance for P, BOS are under no obligation to reopen the account. In reaching this conclusion I have also kept in mind that the account hadn't been used for many years. BOS has also explained that P no longer meets the criteria to hold a currency current account. So, I won't be directing BOS to reopen P's account.

Lastly, Mr S has said that when he called BOS to find out if P's account was active the advisors couldn't locate P's account details. So, he was passed from department to department which was frustrating and inconvenient. BOS has accepted its service fell short when Mr S called. It has explained that it was unable to find P's account initially due to a bank merger. BOS apologised and paid Mr S £30 for any inconvenience he was caused.

Banks are staffed by people, and people sometimes make mistakes. Of course, banks should take reasonable steps to avoid making mistakes, but it's unrealistic to expect mistakes will never be made. Having read Mr S's submissions about how BOS's communication impacted him, I don't doubt the errors made by BOS caused Mr S inconvenience and he had to spend longer on the phone. So, I'm satisfied that compensation is appropriate for this. BOS has offered Mr S of £30 compensation to acknowledge their errors and to put right the impact these caused. That seems fair to put things right here. So, I won't be asking BOS to pay more.

In summary, looking at the available evidence, I am satisfied BOS has adhered to its own dormancy process, and this process is in keeping with good industry practice. I'm sorry to disappoint Mr S but based on the evidence available I won't be asking BOS to do anything more to resolve P's complaint.

My final decision

Bank of Scotland plc has already made an offer to pay a total of £80 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that Bank of Scotland plc should pay P £80.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 17 March 2026.

Sharon Kerrison
Ombudsman