

The complaint

Mr R complains Bank of Scotland plc unfairly closed his accounts, without proper warning or explanation.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr R had multiple holdings with BoS – this included a savings account, credit card account and ISA. BoS conducted a review of Mr R's holdings, and in it informed Mr R on 7 November 2024 that it was ending its banking relationship with Mr R. A similar letter was sent on 19 November 2024 regarding his credit card. Mr R was provided with 65 days' notice to make alternative banking arrangements.

Mr R raised a formal complaint about this decision and the overall handling of his accounts, explaining he hadn't been properly informed, and the closures had a significant impact on him. Mr R also said the closure of the ISA before the maturity date resulted in financial loss, and his credit rating was affected as he was unable to pay his credit card balance.

BoS reviewed Mr R's concerns and in its final response letter dated 17 April 2025. In its response BoS explained:

- It can review its relationship with customers and make a decision to end its relationship with them. It is not at liberty, nor is it required to disclose to Mr R the exact reason for closure.
- It provided Mr R with 65 days' notice of closure. He may not have received these letters, but they were sent to the registered address.
- The decision wasn't taken lightly and the terms and conditions of the account allow it to close the accounts in this manner.

Mr R remained unhappy and referred his complaint to our service. In his complaint Mr R highlighted his concerns with the sudden and unexplained closure of his account. Mr R said his treatment by BoS had severe financial consequences and effected his mental wellbeing. In order to put things right Mr R asked for his accounts to be reopened, his credit score reinstated and for financial compensation. An Investigator gathered the relevant information and made the following findings:

- It is for banks to decide who they provide services to, and this service won't normally ask a business to keep accounts open.
- The terms and conditions of Mr R's holdings allowed BoS to close the accounts, and it provided Mr R with the full notice period.
- There is no requirement to allow customers to appeal this decision.
- As the appropriate notice was given it isn't fair or necessary for compensation to be paid to Mr R for loss of interest or any impact on his credit file.

Mr R remained unhappy, reasserting his concerns and explaining the decision to not disclose key information to him was unfair. Mr R felt he had been discriminated against and our review failed to clearly establish BoS's shortcomings.

Dissatisfied with this review, Mr R asked for his complaint to be reviewed by an Ombudsman.

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 appreciate Mr R was disappointed by the Investigator's opinion. I'd like to reassure Mr R that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No courtesy is intended by me in taking this approach.

As a UK financial business, BoS is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as continuing to carry out due diligence checks on account holders, and there may be penalties if they don't. That sometimes means BoS needs to restrict, or in some cases go as far as closing, customers' accounts.

BoS has explained and given me information to show why it reviewed and closed Mr R's accounts. 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 that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr R, but I'd like to reassure him that I have considered everything that he's told us.

Having carefully considered this evidence in detail, I'm satisfied BoS took the decision to end its relationship with Mr R in line with the obligations it must adhere to. In addition, BoS is entitled to close an account just as a customer may close an account with it. But before BoS closes an account, it must do so in a way, which complies with the terms and conditions of the account.

In Mr R's case BoS provided him with the full notice period as laid out in the relevant accounts' terms and conditions. This meant Mr R was able to utilise the accounts during the notice period as normal, and he had time to make alternative arrangements. This would've been of particular use for Mr R's credit card and ISA accounts. Mr R says he didn't receive the notice to close letters. I appreciate the closure would've therefore come as a shock to Mr R. I have no reason not to accept what Mr R is saying – after all, letters do sometimes go missing. But I have to balance what Mr R has said against the evidence BoS has provided – which includes internal notes and screenshots to show the letter was sent to the correct address for Mr R. BoS has also provided a copies of the letters it sent, and they are correctly addressed. And I haven't seen that BoS was given any information that Mr R was having issues receiving his letters or that he wanted letters sent through a different communication channel.

I am also mindful of the fact that Mr R has received some correspondence – including the closing balance cheques and complaint response letters. Mr R says he didn't receive any

other form of notification – but BoS has confirmed the closure letters were also made available via digital banking – so accessible when he logged in online. So, whilst I have sympathy for Mr R, and the fact the closures were unexpected, I don't consider him not receiving the letters to be an issue BoS can be fairly held responsible for.

Mr R feels the closure is unfair and BoS hasn't shared any information with him regarding its reasons for ending its banking relationship with him. As noted above, this service has received information in confidence, which I am unable to share with Mr R. I must also highlight that BoS is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite BoS should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene.

Based on the evidence I've seen I am satisfied BoS has closed Mr R's accounts for fair and proper reasons. I understand Mr R wants BoS to explain the reasons, but BoS is under no obligation to tell Mr R the reasons it no longer wants him as a customer as much as he'd like to know. Mr R has also queried the lack of appeals process in place at BoS following this decision. But BoS isn't required to have such a process in place, and its decision to close the accounts was reviewed as part of its review of Mr R's complaint, and its position remained unchanged. So, I can't say BoS has done anything wrong by not giving Mr R this information and having this process in place. And it wouldn't be appropriate for me to direct BoS to share this information or change its process.

Mr R says he feels discriminated against, and his poor treatment is due to his Iranian background. While I can appreciate this Mr R's perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr R has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that BoS treated Mr R unfairly.

While I appreciate how BoS ending its relationship with Mr R after many years may have made Mr R feel I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that BoS would have treated another customer with similar circumstances any differently than Mr R. Based on the information I've seen BoS has based its decision on legal and regulatory issues and risk-based factors. So, I can't say BoS treated Mr R unfairly because of his background.

I can see Mr R has outlined the financial strain and emotional distress the closure of his accounts has caused. I note Mr R was concerned as funds left his savings account without warning or notice. BoS has confirmed it completed this transfer so that the funds could be consolidated and a closure cheque issued to Mr R. I am also mindful that Mr R says his credit file has been affected and he has lost out as his ISA account was closed too. I must highlight the closure of an account isn't recorded on Mr R's credit file, but instead his management of any debts, including his credit card, will be recorded. Mr R also says he has been rejected from other banks, and he feels this is linked to BoS' actions as well as his Iranian nationality. However, I can't see that BoS has recorded any adverse information that would affect his ability to open accounts elsewhere.

Overall, I do appreciate this matter would've caused him some difficulty, especially considering Mr R says he didn't receive the letters, and he didn't make alternative arrangements. But having looked at what's happened in this particular case, I can see no

basis on which I might make an award against BoS. The evidence I have seen shows BoS acted in line with both its legal and regulatory duties, as well as the account terms. BoS took appropriate steps to inform Mr R of its decision and the timeframes involved, and I can't see any evidence of wrongdoing on its part.

So I'm not going to ask BoS to compensate Mr R for any distress and inconvenience this may have caused. I know this will not be the outcome Mr R was hoping for, and he will be disappointed with the decision I've reached. However, I hope it provides some clarity around why I won't be asking BoS to take any further action or compensate Mr R.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 18 December 2025.

Chandni Green
Ombudsman