

The complaint

Mr K complains that Bank of Scotland plc closed his basic bank account, shortly after it was opened.

What happened

Mr K applied for an account with Bank of Scotland in February 2024. A basic bank account was opened for Mr K and it was closed with immediate notice in the same month.

Mr K made a complaint to Bank of Scotland about its decision to close his account.

Bank of Scotland issued a final response to the complaint in March 2025. In summary, it said:

- Bank of Scotland wrote to Mr K to inform him that his account was to be closed
- Mr K's account had been closed in line with the account terms and conditions
- The decision to close the account would affect products held across Lloyds Banking Group (LBG)

Mr K explained he entered into a trust deed in 2023 and says he was advised to open an account with a creditor that wasn't part of the trust deed, which was why he had applied to Bank of Scotland. Mr K added that he held an account with another bank at the time. Mr K felt Bank of Scotland ought to have provided the reasons for its decision to close the account.

Mr K added that he had a fraud marker loaded against him by another financial institution in 2019, which had led to the closure of his bank accounts. He said the marker had been removed in 2021, so it wasn't fair if Bank of Scotland had relied on that marker, to refuse Mr K a basic bank account. Mr K said no adverse information was held about him with any fraud prevention agencies, aside from with Synectic Solutions, where several SIRA 'Refer' markers were loaded to the National Fraud SIRA database, relating to applications Mr K had made for accounts with LBG in 2021.

Mr K was eventually able to open a basic bank account with another provider in March 2025, but he remained unhappy because he didn't think Bank of Scotland had fairly declined his basic account application.

One of our Investigators looked into things and didn't uphold the complaint. In summary, they said:

- Banks must treat customers fairly, but they also have commercial discretion about who they wish to offer their services to
- There are certain circumstances under the Payment Account Regulations 2015 (PAR's) where there isn't a requirement for a bank account to be opened

- Bank of Scotland had provided some information to Mr K previously about its decision not to offer Mr K an account. Based on the available evidence, Bank of Scotland hadn't made an error in the actions it took following Mr K's application in 2024

Mr K disagreed. He said that Bank of Scotland had informed him in 2024 that the reason for the account wasn't due to the fraud marker that had previously been loaded against him. And Mr K argued the reason was due to the adverse SIRA markers that had been loaded against him, which Bank of Scotland should've made him aware of.

Mr K added that he had been able to open an account with another account provider, based on the evidence Mr K had shared regarding his complaint against Bank of Scotland.

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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here.

I've read and considered all of Mr K's submissions regarding his complaint, but I'll concentrate on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I'm aware Mr K has a linked complaint with our service, but my decision solely focuses on Bank of Scotland's decision to close Mr K's basic account.

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 K and Bank of Scotland had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

I've considered that the account Mr K had with Bank of Scotland was a basic bank account. Basic accounts, and the provision for banks to provide them, are intended to ensure that people that don't meet the provisions for standard accounts can still have access to basic banking facilities. The regulations say that in order to be eligible for a basic bank account, an individual must not hold an account with a provider in the UK which has at least the features of a basic account.

When closing Mr K's basic account, Bank of Scotland had to consider the terms and conditions of the account and the PAR's. Amongst other things the regulations specify when an account provider can close a basic bank account and they permit closure in certain circumstances.

The Payment Account Regulations 2015 form only part of a much broader regulatory landscape which firms like Bank of Scotland need to consider when making decisions in relation to accounts. So, I haven't considered them in isolation.

Bank of Scotland has provided some information in confidence to our service about why it decided to close Mr K's account, which it isn't obliged to share with Mr K. Having looked at the information given to me by Bank of Scotland, I'm satisfied it was entitled to close the account in the way that it has done.

On balance when considering everything and all the information available to me, which includes the SIRA markers Mr K has mentioned were loaded against him in 2021, I find Bank of Scotland had a legitimate basis for closing Mr K's account immediately and not telling him why.

I would add too that Bank of Scotland has a broad commercial discretion in who it wants to provide accounts to, and on what terms. And its decision not to allow Mr K to open an account is also based on legitimate commercial discretion that it's entitled to exercise given the prevailing circumstances here.

I appreciate Mr K was disappointed when his account was closed. But I don't think Bank of Scotland has acted unfairly in the circumstances of this complaint. So, I'm not asking Bank of Scotland to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 February 2026.

Khadijah Nakhuda
Ombudsman