

The complaint

Ms M complained about the actions and service provided by Bank of Scotland plc when she found her account had been put into dormancy and was then repeatedly blocked. To put things right, she wants more compensation than Bank of Scotland has paid in connection with admitted poor service issues.

What happened

When Ms M complained to Bank of Scotland, it paid her a total amount of £400. This was to compensate Ms M for:

- Bank of Scotland not removing the block on her account when it should have been removed (in February 2024), and
- to acknowledge the impact and the time taken to resolve further issues arising when the Dormancy block was reinstated and the account was blocked again as a result.

Our investigator thought that Bank of Scotland had dealt with Ms M's complaint fairly and reasonably overall and didn't recommend that it needed to do anything more.

Ms M disagreed with our investigator, mainly saying that she wanted a full investigation into what Bank of Scotland had done to resolve the complaint and an assurance that it wouldn't block her account again in the future.

She would like an ombudsman to reconsider the complaint and increase the compensation award. So the complaint has come to me 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.

Having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain why I say this.

In line with Bank of Scotland's dormancy process, Ms M's account had become dormant in November 2023. As her account balance was less than £50, Bank of Scotland hadn't been required to notify her. As a result, Ms M subsequently found her account access blocked. Although this came as a surprise to her, I can't see that Bank of Scotland had done anything wrong up to this point. It had followed due process. And given that Ms M hadn't made any transactions on the account for around four and a half years, applying a dormancy marker and blocking the account was something a bank will typically do in these circumstances. This helps to limit the risk of unused or forgotten accounts being potentially accessible to fraudsters.

But there have been a series of errors after this and I can appreciate why Ms M has found it difficult to understand what was happening, what the status of her account was and more importantly, what she needed to do to satisfy Bank of Scotland's verification requirements.

Bank of Scotland has agreed that when Ms M produced the documents it had asked for it should've removed the dormancy marker in February 2024 – which it failed to do. In March 2024 the dormancy block was still on the account as the branch hadn't processed the request correctly. This wasn't corrected until Ms M complained and Bank of Scotland upheld her complaint in September 2024 when it confirmed that the dormancy indicator had been removed and full access to the account had been restored.

But the dormancy marker was added back to the account in October 2024 prompting Ms M to complain again. There was a delay responding to her but Bank of Scotland wrote in January 2025 apologising for the complaint not being resolved correctly when Ms M had first complained and for the delay in responding. It also provided clear instructions on how to submit the required documentation to permanently remove the dormancy indicator and prevent the issue recurring. And Bank of Scotland arranged for extra time for Ms M to submit the certified verification documents it needed to see to prevent the block being automatically re-applied by its system after 30 days – giving her effectively 60 days to get the necessary documents to Bank of Scotland. But Ms M was no longer in the UK so she needed to get paperwork certified in the country where she was living and send this to Bank of Scotland. There were further delays when the certified documents Ms M sent weren't acceptable to Bank of Scotland, which has understandably added to Ms M's frustration generally.

When Ms M brought her complaint to us, Bank of Scotland reviewed its position and applied its exceptions process to remove the dormancy from Ms M's account, which has resolved the main complaint issue. Ms M should now be able to access the account freely and the dormancy marker won't be automatically reapplied – unless of course she stops using the account again. So whilst there's no guarantee that Bank of Scotland won't block her account in future, this particular issue should no longer be a recurring problem.

I would just remind Ms M however that UK banks have an obligation to take proactive steps to keep customers' accounts safe and prevent fraudulent transactions. Sometimes this can mean the bank will block an account and whilst this can cause inconvenience to a customer, it doesn't necessarily mean the bank has acted incorrectly or unfairly.

Bank of Scotland has now explained why it wasn't able to accept the documents Ms M sent and we've communicated this information to Ms M. I appreciate that Ms M feels that Bank of Scotland should've explained the problem sooner and that she feels it has '*very unusual standards*'. But the way financial businesses choose to operate and their internal processes come under the oversight of the regulator - the Financial Conduct Authority (FCA). My focus here is on whether Bank of Scotland has done enough to put things right when it provided a below par customer experience.

Thinking about the extent and impact on Ms M of Bank of Scotland's poor service, I am satisfied that the total amount of £400 compensation is fair and reasonable in all the circumstances. It broadly reflects what I consider is a fair amount for the upset and inconvenience Ms M was caused by Bank of Scotland's poor service. Beyond this, I don't agree that Ms M's experience warrants further compensation.

I haven't been provided with anything to show that Ms M is out of pocket as a result of any poor service on the part of Bank of Scotland. Whilst I accept she incurred costs in connection with producing certified documents to Bank of Scotland from abroad, she would always have had to pay for this when she wasn't any longer able to attend a Bank of Scotland branch in person – and that's not something I can fairly hold Bank of Scotland responsible for. And we don't generally award redress to consumers to reimburse their time spent on dealing with their complaint.

Looked at overall, I think the £400 compensation already paid by Bank of Scotland is in line with the amount this service would generally award in similar circumstances. So, while I understand that Ms M may be disappointed with the outcome I've reached, I won't be asking Bank of Scotland to do anything further in respect of this complaint.

My final decision

My final decision is that I do not uphold this complaint as I am satisfied that Bank of Scotland plc has already paid fair compensation to Ms M.

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

Susan Webb
Ombudsman