

The complaint

Mrs C complains that Bank of Scotland acted irresponsibly when it allowed her to increase her overdraft limits from January 2022 because had it conducted proportionate checks it would have seen it wasn't affordable or sustainable.

Mrs C has also complained about how her complaint was handled by Bank of Scotland, but as our investigator explained, complaint handling is not a regulated activity and so I won't be considering this aspect of Mrs C's complaint.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

On 23 December 2025 I issued a provisional decision on this case. In summary I said:

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 can confirm that I've reached a different conclusion to our investigator and don't think that Bank of Scotland needs to do anything else.

I'm aware that I've summarised this complaint above in less detail than it may merit. No courtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

Bank of Scotland's decision to increase Mrs C's limit from January 2022

In January 2022, Mrs C increased her overdraft limit twice until it was £2,500. In 2024 there was a number of credit limit decreases until in May 2024, the limit stood at £1,100. There then followed a number of increases until in October 2024, the limit was £2,250 and then three further decreases to £150 in March 2025.

In considering all these increases, I can see that on each occasion, Mrs C demonstrated she had a sufficient monthly disposable income to pay off the overdraft in a reasonable period of time had she wanted to do so. The income she declared to Bank of Scotland and the lack of any significant expenditure on rent or other bills meant the amount she was left with each month was sufficient to repay the facility. And the fact that Mrs C also decreased her limit

showed an awareness of her financial circumstances. Bank of Scotland have commented on the amount of non-essential spending on Mrs C's account and the absence of any rent or utility bills. And I think the points it raises are pertinent as I haven't seen what I would consider any evidence of financial difficulty. The fact that Mrs C utilised her overdraft in the way that she did, was more about how she managed her account as opposed to being in financial difficulty. And whilst I've seen evidence of gambling, I don't think this was excessive and I don't think Mrs C made Bank of Scotland aware that this was an issue at any stage. So I don't think Bank of Scotland did anything wrong when it agreed to the overdraft increases.

Did Bank of Scotland monitor Mrs C's repeated use of her overdraft?

The regulations put the onus on lenders that an overdraft isn't generally suitable for long term use. So as well as needing to act responsibly when it took the decision to grant the overdraft – ensuring that the overdraft was sustainably affordable without the need for Mrs C to borrow more – Bank of Scotland also needed to monitor and review her overdraft usage. And where it identified a pattern of repeat usage, as with Mrs C's account, it needed to take steps to try and reduce it. And on balance, I'm satisfied that Bank of Scotland did this when it sent her repeat usage letters from March 2022 onwards. And although it was clear that Mrs C was using her overdraft constantly, I can't say, from the evidence I've seen, that there were signs of financial difficulty.

Bank of Scotland identified Mrs C as a repeat user when it sent repeat user letters in March 2022 and subsequently. These letters highlighted the cost of using her overdraft repeatedly and made Mrs C aware of support options if she was struggling. I can't see that Mrs C contacted Bank of Scotland at any time in relation to her being in financial difficulty until she raised her complaint to Bank of Scotland.

I asked Mrs C for a copy of her credit report and bank statements from other providers so I could see what her financial position was, and what Bank of Scotland would have seen at the time of her annual reviews. Mrs C hasn't provided these and so my decision is based on the evidence I've seen so far.

From the Bank of Scotland statements provided I can see that from around 2022 onwards, Mrs C was constantly at the upper levels of the agreed limit. But there were also periods when the account returned to a credit position such as between February 2024 and June 2024.

The regulations that cover overdrafts also make a distinct difference to the options a business has to consider between consumers that are repeat users of the overdraft AND show signs of financial difficulty, and those that don't. And although it's clear that Mrs C was clearly a repeat user, I can't say that there was any obvious evidence of financial difficulty such as exceeding the agreed limit or returned direct debits and it appeared she had a sufficient disposable income to pay off the facility in a reasonable period of time had she wanted to. So I think Bank of Scotland treated Mrs C as I would have expected it to have by reaching out to her when it sent her their repeat usage letters.

I appreciate that Mrs C will be disappointed but having considered everything that both parties have said and submitted, I'm simply not persuaded, in the particular circumstances of this case, that Bank of Scotland did anything wrong and I won't be upholding this case.

Did Bank of Scotland act unfairly in any other way

I've also considered whether Bank of Scotland acted unfairly or unreasonably in any other way, including whether the relationship between Mrs C and Bank of Scotland might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons

I've already given, I don't think Bank of Scotland lent irresponsibly to Mrs C or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

Neither Bank of Scotland nor Mrs C responded to my provisional 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.

But as I've no new material evidence to consider, I can confirm that I have no reason to depart from my provisional findings and now confirm them as final.

My final decision

My final decision is that I don't uphold Mrs C's complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 3 February 2026.

Paul Hamber
Ombudsman