

The complaint

Mr L complains that Bank of Scotland plc have allowed a transaction of £700 to debit his sole trader account.

What happened

On 15 May 2025 a payment of £700 debited Mr L's sole trader account. This payment was made to a known organisation who I'll refer to as "C".

Mr L was very upset about this payment as it was taken from his sole trader account and left him with a zero balance which he says threatened the survival of his business. In summary, Mr L questioned the legal basis for the transaction and whether Bank of Scotland acted properly in verifying the legitimacy of the instruction from C. He wanted to know what steps would be taken to reverse the transaction and prevent this from reoccurring.

Our investigator said he was satisfied Bank of Scotland didn't do anything wrong in debiting Mr L's sole trader account as C instructed them to take funds from this account. He also pointed out that as the account is a sole trader, it isn't a separate legal entity to Mr L so it can be treated similarly to a personal account.

Our investigator said he was satisfied Bank of Scotland had received legitimate documentation from C so he didn't think Bank of Scotland had done anything wrong in processing the payment. He added that any issues Mr L had with the payment would need to be taken up with C.

Mr L had also complained that Bank of Scotland failed to process a Data Subject Access Request (DSAR) but our investigator said he'd listened to a phone call where Mr L said he didn't want to follow this up. However, Mr L said he remained unhappy about the DSAR as it was incomplete and he wanted a copy of the order C had sent.

As Mr L remained unhappy, the complaint has been passed to me to decide.

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 done so, I agree with the conclusions reached by our investigator for the reasons I set out below.

First of all, I'd like to acknowledge Mr L's strength of feeling on this matter. I understand this has been a stressful time for him. Although I may not have commented on every single complaint point raised by Mr L, these have been taken into account in the overall consideration of his case. I also note a similar situation has occurred on his personal account which has been considered by this service and as such, I won't be commenting on that.

Debiting Mr L's sole trader account

I can see from the internal documents provided by Bank of Scotland that they received an order from C requesting them to deduct £700 from Mr L's sole trader account. And the statements show that this amount was indeed debited on 15 May 2025.

I should explain that Bank of Scotland are under a legal obligation to comply with the order from C so I'd expect them to follow these instructions unless they had a very good reason not to do so. Having taken everything into consideration, I do not think there was a reason for Bank of Scotland not to follow the order.

Having looked at the documentation issued by C this instructed Bank of Scotland to debit funds from Mr L's business account specifically - using its sort code and account number. I have compared the account details on the order to the account that was debited and these do match. Therefore, Bank of Scotland correctly undertook the actions C required it to do so.

I appreciate Mr L feels his business account shouldn't have been used as these funds are for business purposes. Mr L also said it operates separately from personal accounts and that Bank of Scotland never disclosed this account would be treated in the same way for enforcement purposes.

Our investigator pointed out, Mr L's business account is a sole trader account and isn't a separate legal entity. I do agree with this but also, as I've explained above the order provided from C asked Bank of Scotland to debit this account specifically. So I don't think it's unreasonable that funds from the sole trader account were debited even though Mr L considers these funds were for business purposes.

Mr L has referred to another case at our service he says the ombudsman found a bank at fault for treating a sole trader account as indistinguishable from a personal account when enforcing an order. But our service looks at complaints based on the specific events that have happened to decide what is fair. And for the reasons I've explained above, I do not think Bank of Scotland have done anything wrong in debiting Mr L's business account.

Mr L is also unhappy the amount debited was excessive and left his account with a zero balance. He's also unhappy he wasn't put on notice of what was about to happen. I can see that Mr L's account was significantly reduced following the debit of £700 and I can understand why this would cause him great concern.

However, the order Bank of Scotland received required for them to comply with it at the time it was served. Bank of Scotland followed C's instruction by debiting the funds from his account on the same day. So it follows that I don't think Bank of Scotland did anything wrong in not notifying Mr L what was about to happen even though it significantly reduced his account balance.

Legitimacy of the order

Mr L is concerned about the legitimacy of the order, but this was checked by Bank of Scotland and they deemed it to be legitimate hence why they followed the order. Having looked at the documents myself, there is no reason for me to think that the order provided from C to Bank of Scotland is not legitimate.

Mr L has suggested the order was improperly issued which is an abuse of the process. But if Mr L has any concerns about the order itself, this would need to be raised directly with C.

Data Subject Access Request

During the complaint process Mr L expressed his dissatisfaction with a DSAR made following a similar incident to the one described above on his personal account. He's said this amounts to a GDPR breach as Bank of Scotland haven't provided all the documentation he wants to see. Having listened to the telephone call between Mr L and Bank of Scotland on 25 July 2025, Bank of Scotland offered to transfer Mr L to the correct team to deal with the previous DSAR but he declined this offer. Mr L says he hasn't withdrawn his request. As such I urge Mr L to get in contact with Bank of Scotland if he wishes to follow this up.

My final decision

My final decision is that Bank of Scotland plc do not need to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 March 2026.

Marie Camenzuli
Ombudsman