

The complaint

Mrs M complains that Bank of Scotland plc ('Bank of Scotland') irresponsibly gave her an overdraft that she couldn't afford.

What happened

Bank of Scotland told us Mrs M was given her overdraft on 12 December 2018. The credit limit was increased and decreased many times over the following years.

In September 2024, Mrs M complained to Bank of Scotland to say that the overdraft shouldn't have been opened for her because it wasn't affordable and that Bank of Scotland ought to have made a better effort to understand her financial circumstances before providing her with credit.

Bank of Scotland did not uphold the complaint. Mrs M disagreed and brought her complaint to us. Our investigator thought the complaint should be upheld in part. Subsequently, the complaint was passed to an ombudsman for a review.

I issued my provisional decision in respect of this complaint on 16 January 2026, a section of which is included below, and forms part of, this decision. In my provisional decision, I set out the reasons why it was my intention not to uphold Mrs M's complaint. I set out an extract below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Bank of Scotland will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Our investigator's assessment provided a detailed account of all the increases and decreases that were made to the overdraft. Neither party has called the specifics into question, so, I don't intend to cover them off here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

I'm currently minded not to uphold this complaint. I'll explain why I say that.

Mrs M's complaint is that Bank of Scotland made credit available that was unaffordable. It's possible that Bank of Scotland failed to make adequate checks before providing Mrs M with credit. I say that because Bank of Scotland is not able to provide all the details it relied on in reaching its lending decisions. But even if that's true, I have seen insufficient evidence to

think better enquiries would have caused Bank of Scotland to think the overdraft limits it provided were unaffordable.

It is not straightforward trying to determine affordability because Mrs M has not been able to provide a full copy of her credit report, which would have provided credit information from the times. So, I have no way of knowing the volume of any credit Mrs M may have had or how Mrs M was managing any existing credit she had at the time the lending decisions were made. And I've had no sight of the wider financial picture of Mrs M's household as there is evidence of the finances being jointly managed.

I have considered the size of the credit was relatively modest even at its height, compared to the payments made into the account. And for the credit limit increases, Bank of Scotland had Mrs M's management of her existing account to consider as well as the other credit checks they said they performed. Bank of Scotland has provided account details which suggest that Mrs M's account was largely well managed during the time of the credit limit increases. So, I have seen insufficient evidence that the initial credit and the subsequent increases to the credit limits were anything other than reasonable.

Bank of Scotland monitored and reviewed Mrs M's overdraft usage. And Bank of Scotland reduced Mrs M's overdraft limits when they thought it appropriate to do so. Although Mrs M was making regular use of her overdraft, she appears to have stayed within it, for the most part. There were no other significant signs of financial distress.

Based on what Bank of Scotland's checks found out when monitoring Mrs M's overdraft and what they knew about her circumstances, there wasn't enough to suggest she was likely to be unable to continue repaying her overdraft or that being able to use it was worsening her financial situation. In saying that, I have noted the spending does not appear to have been used entirely for essential expenditure. The presence of discretionary spending is not, in itself, proof of the absence of financial hardship. But neither would it have put Bank of Scotland on notice, necessarily, that they should look more closely into Mrs M's finances.

I also see Bank of Scotland wrote to Mrs M to make her aware of her regular overdraft use and also reached out to offer help with managing her overdraft. They did this on several occasions and as early as August 2021. Mrs M told us she chose not to talk to Bank of Scotland for reasons of her own. So, I don't think Bank of Scotland acted unfairly in any other way.

This means I don't think Bank of Scotland did anything wrong, either when it provided Mrs M with the overdraft and increases to it or in the way they monitored her use of it.

I've also considered whether the relationship might have been unfair under s.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 M or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mrs M hoped for. But, having considered all the submissions made in this case, and in the absence of any extra evidence from Mrs M to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led Bank of Scotland to think that the credit it provided Mrs M was unreasonable. So, I'm not asking Bank of Scotland to do anything to put things right."

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 30 January 2026. Bank of Scotland has responded to the provisional findings saying they have nothing further to add. Mrs M has responded with a full

copy of her credit report. As both parties have responded to my provisional decision, I am proceeding to my 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.

I've looked at the credit report that Mrs M has provided. It is my opinion that the report contains insufficient evidence of financial difficulty to put my provisional findings into doubt. So, I have no reason to depart from those findings. And as I've already set out my full reasons (above) for not upholding Mrs M's complaint, I have nothing further to add.

So, having looked again at all the submissions made in this complaint, I have still seen insufficient reason to uphold the complaint.

My final decision

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 26 February 2026.

Douglas Sayers
Ombudsman