

The complaint

F, a charity, complains about the service it received from Bank of Scotland plc ("BoS") when it applied to add a new signatory to its mandate.

F has been represented in this complaint by one of its trustees, Mr H.

What happened

In November 2022 F completed a form asking BoS to add a new signatory to its bank mandate. The mandate was updated to reflect the requested change a week later.

On the day the mandate was updated, BoS emailed the new signatory to confirm that a change had been made to the account. But the new signatory was due to be added to another account too, and the email didn't specify which account the change related to. When the new signatory visited a branch of BoS to clarify this, she was told incorrectly that it was the other account that had been updated.

When it had heard nothing further about the updating of the mandate a few months later, F contacted BoS. Mr H then had to spend time chasing the matter up by post and phone. He says this caused him considerable stress, which was compounded by difficulties getting through to BoS, by BoS's failure to return calls as promised and by letters mislaid by BoS. Mr H also discovered that BoS hadn't updated F's correspondence address when the changes were made to the mandate, causing further nuisance and distress. He considers that it should have been obvious to BoS that this needed doing, as F's correspondence address was the home address of the previous signatory, whose name was removed from the mandate following his death.

Mr H says that until the issue concerning the mandate was resolved, F wasn't able to pay cheques to local organisations, which caused delays to the work of those organisations and stress and hardship to their officers.

In its final response to F's complaint, BoS said that the requested changes had been completed within a reasonable timeframe, and in line with its usual timescales. But it accepted that incorrect information had been provided about which account the changes had been made to, and that this had caused significant frustration. It paid Mr H £120 to apologise for the shortcomings in the service he'd received.

One of our investigators considered the complaint but didn't think that BoS needed to do anything further to resolve it. She acknowledged that Mr H had experienced stress and inconvenience as a result of BoS's handling of the situation. However, she explained that she could only consider any inconvenience caused to F itself, and not the personal impact on F's trustees or employees.

F didn't agree with the investigator's view, so the complaint has been passed to me.

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'm not asking BoS to do anything further to resolve the complaint. I'll explain why.

I'm satisfied that the changes were made to F's mandate reasonably promptly. The problems arose not because of the time that it took BoS to make the requested changes, but because it subsequently gave incorrect information about which account mandate had been updated. This meant that F was left under the mistaken impression that it was still waiting for the mandate to be updated.

I accept that it might have been helpful if the member of staff who helped with the completion of the change of mandate form had directed Mr H and the new signatory's attention to the change of address section. But the onus was on F to inform BoS of changes and I don't consider that it was unreasonable of BoS not to update its address records in the circumstances. It correctly followed its procedures about what to do when mail was returned from that address and amended the address promptly when F asked it to do so.

I don't doubt that Mr H has experienced inconvenience as a result of the overall service received from BoS in connection with the updating of the mandate, and I don't underestimate how stressful he's found the situation. I have sympathy with him. But I am bound by our rules, and I can only make an award that recognises the impact of any wrongdoing by a financial business on an eligible complainant. In this instance, the eligible complainant is F, rather than Mr H or any other individual.

While an organisation, such as F, can be caused inconvenience, it can't itself suffer distress or frustration. I acknowledge that Mr H has mentioned that the recipients of grants were caused inconvenience due to delays in receiving payments from F. But based on the information provided, I'm not satisfied that F itself was caused any significant inconvenience by BoS. As it is, BoS has paid £120 to apologise for the service Mr H received. Taking everything into account, I don't find that I can fairly require it to do more.

My final decision

My decision is that what Bank of Scotland plc has already done to resolve this complaint is fair. So I'm not asking it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 7 February 2024.

Juliet Collins
Ombudsman