

The complaint

Mr R complains that Bank of Scotland Plc (BoS) was responsible for maladministration of his overdraft.

What happened

On 6 April 2023 Mr R made a formal complaint to BoS about his overdraft and the fees he was incurring. BoS said it should have reviewed his overdraft sooner and, that it should have provided more support to Mr R in relation to his overdraft from June 2017. BoS said that Mr R had his maximum overdraft of £4,020 in place in 2011 so no review took place in relation to that application. There were no further increases to his overdraft limit since this date. Mr R's first annual overdraft renewal date within the six years before April 2023 was on 29 June 2017. It reviewed his overdraft and charges from that date and essentially refunded both the overdraft balance and charges and added 8% interest. It also removed his agreed overdraft facility from July 2023.

On referral to the Financial Ombudsman Service our Investigator advised Mr R that we couldn't consider any issues with the overdraft prior to the review of 29 June 2017, because that complaint was out of time.

With regard to the settlement after that date, she said that BoS's position was reasonable.

I issued a decision advising that we could not consider his complaint prior to April 2017 as that complaint was out of time.

The matter has been passed back to me to consider the merits of Mr R's complaint after 6 April 2017.

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.

This decision concerns Mr R's complaint only from 6 April 2017. His complaint concerns the way his overdraft was administered. Essentially the overdraft limit was reviewed annually so that in order to consider whether there was any irresponsible lending, we have to look at the last annual review date within that six-year period from 6 April 2017. That was 29 June 2017, and I think that it was reasonable for BoS to look at the overdraft and the fees incurred from that date.

As set out above, BoS has settled the matter by refunding the entire overdraft balance, all the fees incurred since 29 June 2017, and added 8% interest for the time that Mr R didn't have the money. This is the maximum award I would have considered making in such a case. So I think that BoS's payment to settle the matter was fair and reasonable.

My final decision

As Bank of Scotland plc has already made a fair and reasonable payment to settle the matter I don't require it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 January 2024.

Ray Lawley
Ombudsman