

The complaint

G complains that Bank of Scotland delayed in opening a new bank account for it, which caused G various issues with making and receiving payments. G also complains that its trustees experienced distress and inconvenience because of Bank of Scotland's failings along the way.

G is represented by Mrs D.

What happened

On 12 August 2022, Mrs D went to her local Bank of Scotland branch to open an account for G. G had an existing account with a third-party bank but intended to close that account, so it was important for it to replace the account. G had also applied for a Council grant, so it needed an account to receive the grant monies once the application was approved.

Mrs D was told the quickest way to open an account was to apply online, and that the application would take up to six weeks. Mrs D started the application on the same day, but the account wasn't opened until 13 October 2022. Mrs D says she spent several hours chasing Bank of Scotland over 11 weeks, and that G had to take payments by cash and cheque while this was going on.

Mrs D also said that G almost missed out on the Council grant of £800 because it didn't have an account to pay into, and that this was only avoided as G's former treasurer hadn't closed the previous account as had been intended. She said the situation caused her and her fellow trustees distress and inconvenience, and she wanted Bank of Scotland to pay G £200 to put things right.

Mrs D complained to Bank of Scotland, and Bank of Scotland issued its final response to G's complaint on 24 October 2022. It upheld G's complaint, apologised for not providing better service, and paid £65 in compensation. It also offered to reimburse any call costs and asked Mrs D to provide details of such costs.

But Bank of Scotland said it didn't think £200 was fair in the circumstances of this complaint. It apologised for the long wait times Mrs D had experienced, and for sending emails in error that led to Mrs D calling Bank of Scotland when she didn't need to. But it clarified that six-week timeframe for opening accounts started when Bank of Scotland received all the information it needed.

Mrs D remained unhappy, so she brought G's complaint to our service. Our investigator looked at the complaint but he didn't uphold it because he thought £65 was fair compensation. He noted the initial application had to be abandoned because of the nature of G's constitution, and that G's trading status and its trustees' roles were then clarified on 31 August 2022, the day after G had provided all necessary ID documents. He explained B has legal and regulatory obligations with which it has to comply at the account opening stage, and he found the account was opened just one day after the usual six-week timeframe.

Mrs D didn't agree, so she asked for an Ombudsman to review the matter afresh.

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.

Firstly, I should say that I'm aware I've summarised the events of this complaint in far less detail than the parties, and that I've done so using my own words. The reason for this is that I've focussed on what I think are the key issues here, which our rules allow me to do.

This approach simply reflects the informal nature of our service as a free alternative to the courts. And 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 in this case. So, if there's something I've not mentioned, it isn't because I've ignored it, and I must stress that I've considered everything both Mrs D and Bank of Scotland have said, before reaching my decision.

I'm sorry to say that I don't have much to add, beyond what our investigator has already said. And I agree with his findings, for the reasons he has already set out. While the application was initially submitted on 12 August 2022, Bank of Scotland didn't receive all of the information it needed until 31 August 2022, so I accept the six-week period started from there. Which means six weeks expired on 12 October 2022, and I note the account opened the following day.

I can see Mrs D wasn't clear on the process and that Bank of Scotland didn't explain the full details behind the timescales when Mrs D asked. But Bank of Scotland has apologised for not providing better service and has paid compensation.

And while I agree it caused inconvenience to G during the application, for example by emailing Mrs D in error thus causing Mrs D to call Bank of Scotland, I'm satisfied it has done enough to put matters right.

I understand G wanted to take payments during this time, but I note that G still had an active account elsewhere that it could have used. And because I've found Bank of Scotland only caused a one-day delay, I can't hold it responsible for any issues caused by the account not being opened beyond the period of delay it was responsible for.

In terms of the compensation, I don't doubt this matter was stressful for Ms D and I recognise the trouble and upset it caused her personally. However, Bank of Scotland's customer is G, which is a separate entity to Mrs D, so I can only award compensation in respect of inconvenience G suffered, and not to recognise any distress G's volunteers experienced. So, I hope it's clear that I'm not suggesting Mrs D didn't suffer distress, and that it's simply the case that I can't make an award for that distress, because Mrs D is not the bank's customer.

Ultimately, I agree Bank of Scotland made errors, in particular in its communications with Mrs D, but I'm satisfied it has done enough to put things right for the errors I consider it made, by apologising and paying compensation. So, I won't ask it to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 15 December 2023.

Alex Brooke-Smith
Ombudsman