



Case Study 2025

Banking

Bank applied UK best practice to resolve a complaint

What happened

Simon had an arranged overdraft on his account which he regularly used over a 20-year period.

He complained that the bank had a duty of care to support him better in managing his finances, given the ongoing use of the overdraft beyond the £500 interest-free threshold.

The bank followed UK best practice, acknowledging that it could have provided him with better support managing his bank account.

The bank reimbursed fees and interest charges from 2023 and paid compensation equivalent to 50% of his overdraft balance.

What we considered

- whether the bank was required to support Simon under local regulations
- whether Simon had any other debts or had sought help from elsewhere
- whether Simon had previously requested guidance or assistance from his bank regarding the overdraft and his regular reliance upon it

What we found

- there were no specific requirements under local regulations requiring the bank to take action or monitor account usage for signs of financial difficulty
- the bank demonstrated its commitment to supporting Simon by voluntarily following UK best practice

COMPLAINT NOT UPHOLD – compensation was provided at bank discretion but was viewed by CIFO as consistent with good practice and fair and reasonable in the circumstances

Key learning

This case is a good example of complaint handling. Although not required under local regulation, the bank applied UK best practice by following the UK Consumer Duty. This meant focusing on what was fair for the customer. The complaint was handled with care, taking the customer's circumstances into account to reach a fair outcome.