

## **The complaint**

Mr C complains that Bank of Scotland plc trading as Halifax irresponsibly allowed him to open a credit card account that was unaffordable.

## **What happened**

Mr C says he opened a Halifax credit card account in 2019 that was unaffordable and that the lending was irresponsible. He says at the time he had health issues and only income was benefits. Mr C says his father cleared his debts previously and Halifax ought to have checked his income. He says he asked for a credit limit of £4,000 but was given a limit of £6,000. Mr C would like the debt written off.

Halifax says Mr C told it he was working earning about £2,500 a month with no outgoings. It doesn't accept making a mistake and carried out appropriate checks on the application.

Mr C brought his complaint to us and our investigator upheld it. The investigator thought Halifax hadn't carried out appropriate checks on the application and ought to have considered that the only payments into his Halifax account were from benefits and not from any work. The investigator recommended Halifax refund any interest and charges and agree a repayment plan with Mr C for a reasonable time period. But didn't think it fair to order the debt to be written off. The investigator also thought any adverse information should be removed from Mr C's credit file.

Halifax agrees with that view, but Mr C says the debt should be written off and says Halifax should make changes to avoid other customers being in the same position.

## **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 have come to the overall view that I uphold this complaint but intend to order Halifax to follow the investigator's recommendations. I appreciate that Mr C will be disappointed by my decision and how strongly he and his father feel about what has taken place.

Lenders should carry out reasonable and proportionate checks on any application for credit or for a loan. Those checks will vary depending on the type and amount of lending. I appreciate Halifax says it carried out appropriate checks here but it's also clear that Mr C was not in work and only income was benefits paid into his Halifax account. I accept Mr C must take some responsibility for what took place and ought to have provided accurate information but equally I think Halifax ought to have carried further checks on the application. I think had it done so, it would not have lent or offered a far more modest credit limit.

The only real issue for me to consider in these circumstances is what Halifax ought to do in order to put matters right. I appreciate Mr C would like the debt written off, but I find that would be unfair and I think Mr C has had the benefit of that money. I appreciate that Mr C's

father's concern is for others in a similar position to his son. But I make clear that I can only consider Mr C's complaint and it's not our role to consider any wider issues, as we are not Halifax's regulator.

### **Putting things right**

I intend to order Halifax to refund any charges and interest and deduct them from the debt Mr C owes. And I intend to order Halifax to remove any adverse information from Mr C's credit file and agree to an affordable interest free repayment plan.

### **My final decision**

My final decision is that I uphold this complaint and order Bank of Scotland plc trading as Halifax to refund any interest or charges it has applied to Mr C's account and deduct them from the balance he owes. I also order it to remove any adverse information it may have reported about the account from Mr C's credit file and agree to an interest free affordable repayment plan.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2021.

David Singh  
**Ombudsman**