

The complaint

Mr O complains that Bank of Scotland plc trading as Halifax wouldn't open a Help to Buy ISA and wrongly told him that there was information about him recorded at CIFAS, the national fraud database.

What happened

Mr O applied for the account on 28 November 2019. He thought he had been successful but the next day he was told that the account wouldn't be opened. And that he may wish to make a subject access request to CIFAS. Even though it had been shown there is no information at CIFAS Halifax won't open an account.

Halifax said it had made a commercial decision not to offer Mr O an account. The letter it sent him about this had been the wrong one and it offered to pay him £75 compensation.

Our investigator didn't recommend that the complaint be upheld. He said that Halifax had decided to close the account having made its second stage checks applicable to a savings account. The account had been initially opened subject to those checks including with credit reference agencies and fraud prevention agencies. In the final response Halifax had said that the correct reason for the account not being opened was "*..because of your previous conduct with Lloyds Bank*". He understood this to relate to an application for a business account made by Mr O and which had been separately considered as a complaint by this service. So, he wouldn't be looking at that again here but noted that the other complaint hadn't been upheld.

Our investigator said that Halifax wasn't obliged to provide accounts to everyone that applied just as Mr O wasn't obliged to hold an account with any one business. While his credit record may be excellent as he says that wasn't the only thing that Halifax would consider. He knew Mr O felt that Halifax had discriminated against him but having looked at the evidence he didn't think that it had. He thought the offer of compensation for the separate issue of sending out a misleading letter was reasonable. The timing of what happened was unfortunate as the scheme had been withdrawn for new applicants after 30 November 2019. But Mr O couldn't have been sure he would be successful when he made his application close to a deadline which hadn't been set by Halifax.

Mr O didn't agree and wanted his complaint to be reviewed. He said that it was unfortunate that the burden of proof here was on him. There are unsubstantiated allegations about his credit report which are 'untrue' and 'scandalous'. He attached an extract of his credit record showing no issues. The only conclusion as to why Halifax changed its decision was as a result of bias and prejudice.

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.

I fully understand Mr O's frustration at what happened. And as I understand it, at the time he applied for the Help to Buy ISA he had existing accounts with Halifax and Lloyds (part of the same business grouping).

Whether or not to agree to open an account – even if in addition to an existing one – is a matter for the commercial discretion here of Halifax. That's something I wouldn't generally interfere with. Like Mr O I'd expect it to operate a fair application process although that doesn't mean it has to explain exactly why it wouldn't open an account.

Halifax decides what checks to make and how it views Mr O's credit record alongside any other information is a matter for it. I accept from what Mr O has provided that there don't appear to be any issues with the report he sent, and it is accepted that there is no CIFAS loading in his name. But I'm satisfied based on what I've seen that Halifax reviewed his account as it would any other. I don't see any evidence of the discrimination or profiling Mr O suspects featured in Halifax's decision.

I have to say though that Halifax hasn't done a good job in communicating things to Mr O. It first wrongly gave him the impression that there was a marker at CIFAS. But I understand in any event Mr O tracks his records closely himself and knew that this wasn't the position. It then made the fairly unclear reference to conduct at Lloyds our investigator has set out. I am not looking here at an application seemingly rejected in similar circumstances for his company. And it didn't seem as a result that the account there operated. But I think the read across is that for similar reasons Halifax didn't want to open an account for Mr O either.

Halifax has offered to pay Mr O £75 for the poor communication, and I think that's reasonable. I don't think it can fairly be responsible for the loss of opportunity for Mr O not being able to open a Help to Buy ISA before the scheme closed to new applicants. He didn't leave sufficient time to apply to any other business than Halifax given the deadline, there was no guarantee he would be successful although I know he genuinely expected to be, and I'm afraid I don't find Halifax made a mistake and so created any unfairness in not opening the account for him. I know he will be disappointed by my conclusions here.

My final decision

Halifax has offered to pay Mr O £75 to resolve this complaint and I think that this is fair in all the circumstances. So, my decision is that Bank of Scotland plc trading as Halifax should pay Mr O £75.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 17 May 2021.

Michael Crewe
Ombudsman