

The complaint

Mr B complains that Bank of Scotland Plc, trading as Halifax, is holding him liable to repay two credit card debts that he says he never applied for.

Background

Mr B has explained that, after splitting from his wife, he had a meeting with his bank who provide his current account in order to receive some financial advice. Mr B was advised about a direct debit on the account that was being made towards a Halifax credit card. Mr B says from this, he began to investigate further, and found there were two credit card debts in his name, which he says he never applied for. The second credit card was being paid for from a current account held jointly by Mr B and his ex-wife. Mr B says he also doesn't recall applying for the joint account. Mr B has explained that he regularly worked away from home and now believes his wife applied for both cards without his consent or knowledge and intercepted his statements to avoid him finding out.

Unhappy about the credit card debts he was being held liable for, Mr B complained to Halifax. Halifax investigated Mr B's complaint but declined to refund him. It said statements for both credit cards were sent to Mr B's home address, that they were repaid from accounts in either Mr B's sole name, or held jointly by him and his ex-wife and the card balances were made up largely from money transfers, where the money was also sent to his joint account.

Mr B remained unhappy so referred the complaint to our service. An investigator considered Mr B's complaint and partially upheld it. She thought it was most likely that Mr B didn't apply for the credit cards, based on the cards having been applied for online and the contact information provided for Mr B being incorrect. However, she thought that it was more likely than not that Mr B had indirectly benefitted from the spend on both cards. She said money transfers had been made on both cards to Mr B's joint account with his wife, and that this account had direct debits set up on it that she thought he would have benefitted from. She said Mr B also had cards in his own name for the joint current account.

The investigator therefore thought that Mr B should be held liable for the principle debt on both cards, but should not be liable for any interest or charges applied. Mr B disagreed with the investigator's view. He didn't accept he had benefitted from the money transfers and that he had no knowledge of the joint account with his ex-wife until after they had split.

While Halifax also initially disagreed with the investigator's view, it has since agreed to remove all interest and charges applied to Mr B's credit cards. It has also agreed to remove any adverse information on Mr B's credit file caused by this debt.

As Mr B disagreed with the investigator's view, the complaint has been referred to me for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

As Halifax has now agreed to not hold Mr B liable for interest and charges applied on the credit cards, what remains for me to determine is whether Mr B benefitted from the credit card debt and whether he should therefore be held liable for repayment of the principle sum.

As I've explained, the spend on the credit cards in question was principally used to transfer money to a joint account Mr B held with his ex-wife. Mr B doesn't recall taking out this account. I've reviewed the evidence available to determine whether I think it's more likely than not that he did consent to this. Based on everything I've seen, I'm persuaded he did.

The bank provider in question has confirmed that the joint account was initially held by just Mr B's ex-wife, and that Mr B was added to the account in 2006. Mr B confirmed that in 2006, his daughter was born and he discussed opening a joint account with his wife but this never happened. The bank provider has provided a copy of the application form submitted for Mr B to be added to the account. Mr B cannot recall this form, but has acknowledged the signature does look like his own. I've considered whether I think it's more likely that Mr B's ex-wife forged this document, or that Mr B has forgotten applying for it due to the time that has since passed. Having considered everything, I think it's more likely than not that Mr B did give his consent to being added to this account.

I say this because Mr B has acknowledged he was discussing a joint account with his then wife around the time he was added to this one. In addition, I think there was less for Mr B's ex-wife to benefit from by adding Mr B to this account without his agreement – the account was regularly in credit, which Mr B would then have had equal entitlement to, and I can't see what Mr B's ex-wife would have gained from adding him without his permission at this time. I appreciate Mr B may have forgotten about this account, and there's no available evidence to confirm if he made actual card transactions on the account or not – but I think he did consent to being a joint account holder.

I've therefore looked at the available evidence of account usage, to see whether I think it's more likely than not that Mr B did benefit from this account. I can see that, during the time Mr B has been a joint account holder, there have been direct debits on the account payable to water, internet, phone and gas providers. I think it's likely Mr B would've been receiving a service from these payments that he was partially benefitting from, even if he may not have realised this joint account was funding those payments.

The credit card debts on Mr B's Halifax cards were made up of money transfers made to this joint account. As I'm persuaded that Mr B more likely than not benefitted from the credits made to this joint account, I don't think it would be fair or reasonable to hold Halifax responsible for the principle sum.

I also have to consider the wider circumstances in this case. Monthly repayments for one of the Halifax credit cards were made from Mr B's current account, registered solely in his name. This credit card has had an outstanding debt since 2018, meaning monthly repayments would've been taken from Mr B's account from then onwards, until Mr B attended his branch for financial advice over a year later. While I appreciate Mr B wasn't expecting to see payments he didn't consent to on his account, there is a general expectation for customers to occasionally review their accounts for anything untoward. It's now also fairly common practice for individuals to intermittently check their credit report for their own security, which in Mr B's case would've indicated from 2014 onwards that he had credit in his name he was unaware of.

I therefore think Halifax's offer to refund the interest and charges applied to the cards, as well as removing adverse credit information on Mr B's file, is a fair outcome.

I appreciate Mr B's strength of feeling on this case and why he doesn't think he should be responsible for this debt. But based on the evidence available I don't think it would be fair to hold Halifax liable for additional debt on the card.

My final decision

For the reasons I've explained, my final decision is that I partially uphold Mr B's complaint against Bank of Scotland Plc trading as Halifax. I require Bank of Scotland trading as Halifax to:

- Remove all interest and charges applied to both credit cards registered in Mr B's name
- Remove any adverse information on Mr B's credit file relating to both credit cards

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 April 2022.

Kirsty Upton
Ombudsman