

The complaint

Mr C complains Bank of Scotland plc trading as Halifax unfairly closed his account and failed to tell him why. He believes Halifax's decision was racist and the account should be reopened.

What happened

Mr C held a current account with Halifax. In February 2021 Halifax reviewed its relationship with him.

Around that time Mr C made several large withdrawals from his account over several days. He recalls being asked questions in branch about a withdrawal, which he didn't like, and which led to him withdrawing most of his funds. He says he was going to use the money to pay for a car, although he ended up using it to purchase other goods and to pay his mother. He also recalled receiving two large payments the previous month, which primarily funded the withdrawals. He says the payments were from a successful insurance claim and from a child trust.

Halifax gave Mr C two months' notice that his account would close. During this time Mr C withdrew all his funds and later complained to Halifax. He feels Halifax should tell him why his account was closed and that its decision was racist.

Mr C also had accounts with other banks which were closed, which he says left him without a bank account for a period as he struggled to open an account elsewhere. He now has an account with another bank following the removal of a CIFAs marker recorded by a different bank.

Our investigator didn't uphold Mr C's complaint. They concluded Halifax gave him the correct notice period under its terms and conditions, and it didn't need to tell him why the account closed. Mr C asked for a final decision from an ombudsman, so his complaint was passed to me to decide.

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 have decided not to uphold Mr C's complaint. I'll explain why.

Halifax has the discretion to close customers' accounts. And, generally our service will not interfere with the exercise of that discretion. Of course, if a decision to close an account was due to racism, then that wouldn't be fair.

I have listened carefully to what Mr C has said, and I have no reason to doubt that he feels

he has been treated differently due to racism. But based on the information I have I do not find it points to Halifax treating him differently because of his race. Understandably, Mr C wants to know why his account was closed, but it does not have to reveal those reasons to him, so I am not going to direct it to reveal them.

Mr C had a number of accounts closed with different banks, and he says he struggled to open an account elsewhere before he was eventually successful. But I have seen no information to show that Halifax recorded a marker against him which would prevent him opening accounts with banks outside of the group of banks to which Halifax belongs. Instead I think it's more likely he was able to open an account after another bank removed a CIFAs marker recorded against him.

Halifax needed to follow the correct terms and conditions to close Mr C's account. It gave him two months' notice that the account would close, and I'm satisfied this shows it followed the correct terms and conditions. So, I am not directing it to reopen his account or to pay him compensation.

My final decision

I have decided not to uphold Mr C's complaint for the reasons I have given above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 November 2022.

Liam King
Ombudsman