

The complaint

Ms G complains about her bank, Bank of Scotland trading as Halifax (Halifax), regarding a joint current account she had with her husband. She's unhappy that Halifax allowed her husband to close the account without her consent.

What happened

Ms G was in an abusive relationship with her husband, and she's explained how this pattern of abuse developed over a number of years.

In May 2021 Ms G found out that the contact details for her personal credit card had been changed by her husband to his own details. Concerned at what had happened, Ms G visited a Halifax branch to find out how her details had been changed without her knowledge. Ms G says that she took a family member along for support, given she wanted to tell Halifax about the abuse she'd suffered. Ms G says that Halifax couldn't confirm when the changes to her details had been made, but thought it was likely it happened through her smartphone (using the mobile banking app).

At the time, Ms G was in the process of separating from her husband and the only other access to banking was through a joint current account that she had with her husband. Given this, she opened a sole current account in her name. But she wanted the joint account to remain open so she could receive child support payments from her husband. But Ms G then found that the joint account had been closed by her husband without her knowledge. This meant she had to give details of her sole account to her husband to receive child support payments. She was worried that her husband might be able to access the account.

Unhappy at Halifax closing the joint account, she complained. Halifax declined her complaint, saying in their final response that the account was closed at the branch and there were no indicators in place about a dispute between the account holders. Given this, Halifax concluded the branch followed the correct process, as the account conditions allowed either party to close the account. But Halifax did say that they'd arranged for the closing balance on the account to be transferred to Ms G's sole account (£13.51).

Ms G then complained to this service about Halifax closing the joint account as she wanted it to remain open to receive child support payments. She said the way Halifax handled her concerns had caused her stress and she wanted compensation for this.

Our investigator didn't uphold the complaint, concluding that Halifax hadn't acted unfairly. She understood Ms G's unhappiness and didn't doubt she'd told Halifax about the abuse she'd suffered (even though it wasn't recorded). But the investigator thought that had a marker been applied to the account to reflect what Ms G had said (which would have prevented the account from being closed) it would have also meant that the account couldn't have been used to receive child support payments. In these circumstances, the investigator didn't think she could ask Halifax to do anything differently.

Ms G disagreed with the investigator's conclusions and requested an ombudsman review the complaint. She thought Halifax should change its policy where one party to a joint

account requests closure of the account, to give notice of the closure to the other party. In Ms G's case, that would have meant giving her notice of her husband's intention to close the account. She was also unhappy that because she had set up a sole account after the joint account had been closed, Halifax weren't able to provide the switching service that would have enabled the transfer of direct debits and standing orders from the joint account to her sole account (she would have to manually set up the direct debits and standing orders on her sole account).

In my findings, I concluded that given what happened when Ms G's husband changed the contact details on her personal credit card, I didn't think it unreasonable for Ms G to want reassurance on this issue, as a customer who's potentially more vulnerable to a security breach. Halifax said that her husband would need much more information than just the account details to access Ms G's account. They also said that they would not speak to anybody else about her account without her permission. While I thought this gave some reassurance, I thought Halifax could consider other options and that they should respond on this specific point.

I also considered what Ms G told us about her experience being stressful and her asking for compensation. While I thought the outcome in the circumstances of the case was likely to have been the same, as I concluded that on balance Ms G told Halifax about her circumstances (including the domestic abuse) but that this wasn't recorded by the branch, I concluded this led to distress for Ms G (and potentially some inconvenience). Taking account of all the circumstances of the case, I thought £100 for distress and inconvenience would be fair and reasonable.

Because I reached different conclusions to the investigator, I issued a provisional decision to give both parties the opportunity to consider things further, in particular to ask Halifax about what they might be able to do to provide reassurance to Ms G about the security of her account. This is set out below.

What I've provisionally decided – and why

I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've considered very carefully what Ms G has told us about her circumstances and the nature of the domestic abuse she suffered from her husband, including his controlling behaviour. I recognise that this was very difficult for her. This has been at the forefront of my mind when reaching this decision and I hope what I've said makes clear how I've reached this decision.

There are several aspects to Ms G's complaint, which I've considered in turn. First, there's the closure of the joint account that Ms G had with her husband. Ms G is unhappy that her husband was able to close the account without her knowledge or consent, which she wanted to remain open to receive child support payments. This meant Ms G had to set up a sole account and provide him with details of it to enable the payments to continue. Halifax say they followed the correct procedure as the account terms and conditions provided for either party to initiate closure of the account.

I've looked at the terms and conditions of the account held by Ms G and her husband. The terms and conditions state that "Up to two account holders on an "either to sign basis" only". This meant that either party could carry out transactions on the account – it didn't need the approval or agreement of both parties. There's also the following condition under Part C – General, 10.1 Joint customers where it states:

"(a) We can accept the instructions or signature of either or any one of you. For example, either or any one may make a withdrawal or close your account. If you have

a joint account and you tell us that you only want to accept instructions from both...of you (and not just from one of you) both...of you must contact us. We may then close your account and, if we choose, offer each of you the opportunity to open a new account in just your name."

My reading of this condition is that the joint account could be closed by either signatory, unless both parties had asked that both parties would need to agree to close an account. I've not seen any indication that this latter condition applied to Ms G's joint account. So, I've concluded that in accepting Ms G's husband's request to close the joint account, Halifax were acting in accordance with the account terms and conditions. I've also noted a similar condition to (a) above applies where Halifax become aware of a dispute between the parties. The account is then frozen and Halifax are able (if the dispute cannot be resolved) to close the account (and offer the parties the opportunity to open a sole account) – but this would mean the account would be frozen while the dispute was resolved. And this in turn would mean it couldn't be used for Ms G to receive and withdraw child support payments. So I don't think this would have assisted Ms G either.

In Ms G's case, she says she told Halifax about the domestic abuse she had suffered when she visited the branch in May 2021. The case notes provided by Halifax record that she visited the branch that she told us she visited (and that her contact details were amended). But the case notes don't record that Ms G told them about the domestic abuse (or any dispute with her husband). Halifax say that as there was no 'marker' on the joint account to indicate a dispute, there was no reason for them not to follow Ms G's husband's request to close the account.

I've considered both views carefully. On balance, as the evidence supports her visiting the branch in question when she said she did (and she's described to us the reason for the visit in some detail) I'm inclined to believe that she did mention her circumstances, including the domestic abuse. But that it wasn't recorded as such by Halifax.

Given that conclusion, I've gone on to consider what Halifax would've done - under their guidelines on cases involving domestic and financial abuse provided to this service – had the domestic abuse been recorded, as well as what I think they should fairly have done. The guidelines indicate that, if appropriate, they should offer to block the account (to stop any further transactions). The guidelines also indicate that they should discuss the option of opening an alternative account that can be used to receive income and paying bills.

As I say, that's what the terms and conditions, and Halifax's policy, say. Based on that, I don't think Halifax did anything wrong. But that's not the end of the matter – I also need to go on to think about whether, notwithstanding the terms and conditions, Halifax treated Ms G fairly in her specific circumstances.

Thinking about what happened in the circumstances of Ms G's case then, had a dispute marker been applied (to reflect the domestic abuse) the account would have been likely to have been frozen, meaning that no transactions – including receipt of child support payments – could have taken place. As Ms G opened a sole account in her name, then this is the same position that she would have been in under the guidelines (the opening of an alternative account). In other words, the outcome would have been the same. That is, the joint account would have been frozen (then closed) and Ms G would have had a sole account into which her child support payments could be made. I don't think that was unfair – while I understand why Ms G wanted to keep the joint account, I don't think it's fair to expect Halifax to keep an account active when one of the joint holders doesn't want that to happen.

Ms G also raised concerns about her husband having details of her sole account and the risk that he might be able to access the account. I appreciate that, given the experiences Ms G

has described to us, this is a concern for her. I know that Halifax have systems, processes and safeguards in place to ensure the security of accounts (there is a specific "Security" section within the account terms and conditions that set out how Halifax ensure that accounts are secure and prevent unauthorised access).

But given what happened when Ms G's husband changed the contact details on her personal credit card, I don't think it's unreasonable for Ms G to want reassurance on this issue, as a customer who's potentially more vulnerable to a security breach. Given this, we asked Halifax what reassurance they could give Ms G on this point. They said that her husband would need much more information than just the account details to access Ms G's account. They also said that they would not speak to anybody else about her account without her permission.

While I think this gives some reassurance to Ms G, I think Halifax could consider other options, for example enhanced security checks if anyone tries to access her account or help Ms G change the security information on her account. A second sole account for her general banking requirements other than to receive child support payments might be another option.

As a provisional decision, I'd want Halifax to respond on this specific point and the potential options set out above. I'll consider their response when reaching my final decision.

Ms G also says that she couldn't use the Halifax switching service to transfer her standing orders and direct debits from the joint account to her sole account. I can understand that this added to her stress at what was a difficult time. However, the switching service is primarily intended to operate in the circumstances where a consumer moves their account from another bank to Halifax.

While it also would apply where a consumer changes their current account while remaining with Halifax, they've confirmed that it isn't available in the circumstances where a consumer sets up a sole account and wants to transfer direct debits and standing orders to the account from a joint account. That's because not all the direct debits and standing orders on the joint account will be relevant to the sole account (they may relate to the other party to the joint account). Therefore, the consumer has to transfer those direct debits and standing orders that they require (or are relevant to them) themselves. While I appreciate this means Ms G had to do this herself, I don't think it's unreasonable for Halifax to operate this policy.

Ms G has also told us her experience has been stressful and has asked for compensation. I've thought about this, given the conclusions I've reached on each of the points in Ms G's complaint. While I consider that the outcome in the circumstances of the case is likely to have been the same, given that I've concluded that on balance Ms G told Halifax about her circumstances (including the domestic abuse) but that this wasn't recorded by the branch, I think this has led to distress for Ms G (and potentially some inconvenience). Taking account all the circumstances of the case, I think that £100 for distress and inconvenience would be fair and reasonable.

My provisional decision

For the reasons set out above, it's my provisional decision to uphold Ms G's complaint in part. I intend to require Bank of Scotland trading as Halifax to:

- *Pay Ms G £100 in compensation for distress and inconvenience.*

Ms G responded to say that she had no further comment and accepted the outcome in the provisional decision. She added that she would continue to work with groups supporting victims of coercive control and financial abuse to ensure they are better served by their financial institutions.

Halifax responded to say they agreed with my provisional decision and accepted the proposal to pay Ms G £100 for any distress and inconvenience caused to her.

On the specific question about reassurance to Ms G about the security of her account, Halifax responded to say that they have procedures in place to prevent any third-party access to a customer's details and changing them. But they couldn't add additional security to online and telephone banking services as they already had relevant safeguards in place. They added that customers are responsible for ensuring security details, such as passwords, are not known to, or easily guessed by others. They also noted that as Ms G's joint account was now closed, there was now no linked relationship with her ex-husband. This removed one potential risk of her ex-husband updating her details.

Halifax did say that one option open to Ms G – if she provided them with clear authority – was for them to add a support note to her profile. A support note would alert a staff member that might need to deal with a customer that there is the potential for customer vulnerability or need for additional support. A support note could also help staff better understand a customer's circumstances ahead of any dealings with them and to provide the opportunity to offer additional support where needed. If a customer didn't give specific permission to record their support need, Halifax would only be able to place a generic note on the profile to highlight potential support needs (but not what the specific vulnerability might be).

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.

As both Ms G and Halifax responded to say, respectively, that she had no further comment and accepted the outcome, and that they agreed with my provisional decision and accepted the proposal to pay Ms G £100 for any distress and inconvenience, then I haven't changed my mind on my findings and conclusions. So, my final decision remains the same, for the reasons set out in my provisional decision.

On the question of reassurance and potential options Halifax might provide to Ms G, I think the support note option is reasonable. But that's something Ms G would need to consider and potentially discuss with Halifax. And it would be for her to decide whether it's something she'd want to be put in place - it's not something for me to require Halifax to put in place.

My final decision

For the reasons set out above, it's my final decision to uphold Ms G's complaint in part. I require Bank of Scotland trading as Halifax to:

- Pay Ms G £100 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 7 April 2022.

Paul King
Ombudsman