

The complaint

Mr C complains Bank of Scotland plc trading as Halifax Building Society unfairly closed his account.

What happened

Mr C held a Halifax basic bank account. In early May 2023 Halifax contacted Mr C to explain it no longer wished to provide him with banking services. They said they'd be closing his account in July 2023. Halifax said he could still use his account up until then, but they didn't provide a reason for the closure.

Unhappy at the prospect of losing his bank account Mr C complained to Halifax. They responded to say they were closing his account in line with the terms and conditions. Halifax also explained it would offer Mr C £92 for service issues he had experienced.

Mr C referred his complaint to our service. One of our investigators looked into what had happened but didn't think Halifax had done anything wrong. They said Halifax had closed his account in line with their terms and given the required notice. They said this was a decision for the bank to make, and they weren't required to give Mr C a reason for this. They considered the offer made by Halifax for service issues to be fair and didn't suggest it do anything further.

Mr C disagreed, saying he had received poor service and he should be given more details about the closure. So, the case has now passed to me, on ombudsman, to issue a final decision.

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.

When coming to my decision I've considered relevant legislation, industry guidelines and what I consider to be best practice. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Halifax provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr C, but I'd like to reassure him that I have considered everything.

The terms of Mr C's account say that Halifax can close an account for any reasonable reason, so long as they provide 65 days' notice. This is in line with the relevant regulations for providing accounts. Generally, this is considered long enough to arrange alternative banking facilities. I've seen the notification that was sent, and it did provide Mr C with the right notice period.

I note though that Mr C held a basic account with Halifax. The regulations around basic accounts are slightly different in that a basic bank account can only be closed if certain

conditions are met – including that the account holder has access to another payment account, that was opened after the basic account. I can't see that Halifax did enough to satisfy themselves this was the case. But I can also see from the statements for the account that this doesn't appear to have been Mr C's primary account. Mr C was also sent cheques and I can't see that he has raised issues about not being able to cash them elsewhere. So, I don't think there's a significant impact on Mr C here.

Mr C says he was told the Halifax had decided to close his account due to historical claims made. Mr C says this is unfair as he has raised legitimate concerns. Halifax isn't under any specific obligation to explain the reason for closing accounts to Mr C and it has declined to elaborate on what Mr C has been told. I'm satisfied that it's not unreasonable for Halifax to decline to discuss its reasoning with Mr C. But Halifax has provided their reasons to our service in confidence. Having considered them I'm satisfied they are reasonable. I appreciate Mr C will be disappointed I can't go into further detail, but I'm satisfied that this was a legitimate commercial decision Halifax was entitled to make.

I understand Mr C would like to know more, and I can see his obvious frustration at not getting the information he'd like. I've reviewed the contact notes and considered Mr C's comments on the customer service received. I can see he was regularly in touch with Halifax about this. But I'm also mindful they'd given him the relevant information – that the account would be closed, the date of closure, and that they did not need to provide a reason. In the circumstances that's sufficient.

Mr C has also raised concerns about the service provided by Halifax. In particular he says his complaint wasn't recorded against the correct business and he spent significant amounts of time on the phone trying to deal with his account and its closure. Halifax sent Mr C two cheques totalling £92.00 in recognition of service issues and to cover costs. It also said it would consider further calls costs if an itemised phone bill was provided. I think this offer is fair in the circumstances.

I know my answer will be disappointing to Mr C, who strongly believes he was treated poorly by Halifax. Overall, I'm not persuaded Halifax have treated Mr C unfairly or unreasonably. As such, I'm not asking them to do anything further.

My final decision

For the reasons explained above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 May 2024.

Chandni Green
Ombudsman