

The complaint

Mr B is unhappy that Bank of Scotland plc (trading as Halifax) have decided to close his basic bank account.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- In September 2023 Halifax made the decision to close Mr B's basic bank account after warning him, on more than one occasion, that this might happen due to his unacceptable behaviour during phone calls with the bank.
- Mr B's account was due to close on/around 24 November 2023 but Halifax ultimately agreed to delay the closure until our investigations into Mr B's complaint were complete.
- Our Investigator concluded that the decision to close Mr B's account had been fairly made. But Mr B disagreed, so the matter has come to me to review.

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 would also explain that our rules allow us to receive evidence in confidence. It's for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, some of the information I've received from Halifax is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Halifax has treated Mr B fairly. So, I'm persuaded I should take it into account when deciding the outcome of this complaint.

I want to make clear that when we first set up this complaint, Mr B's concerns related to the bank only having warned him that account closure was a possibility if his behaviour didn't change and/or improve. He told us about these concerns while we were looking into a separate complaint and so we set up a new complaint for him. But, by then (or soon after) the bank had made the decision to close Mr B's account.

I've taken into account the events that led to the bank's decision to close Mr B's account in order to determine whether that decision was fairly made. And, like the Investigator, I'm satisfied this decision was fair and reasonable in all the circumstances. I've reached this outcome having taken the following, in particular, into account.

Halifax is entitled to close an account and end its relationship with a consumer in the same way that an individual may choose to close an account with it. But the bank's decision to close must be made in accordance with the terms and conditions of the account. Despite being asked, Halifax haven't provided a full copy of the terms and conditions that were in

force when the notice to close was given in September 2023. But they've provided an extract and I've seen the terms that took effect from 13 December 2023 which do explain when the bank may close an account. In my experience, Halifax has had this condition in place for many years and the wording has not changed considerably. So I think the terms and conditions in place in September 2023 more likely than not afforded the bank the right to close Mr B's account in the same circumstances to those set out in the December 2023 terms and conditions.

I would also note that Mr B had a basic bank account with Halifax. This type of current account is intended for individuals who don't have and/or don't qualify for a standard current account. In order to be eligible for this type of account, which provides only basic features, an individual shouldn't hold a payment account with any United Kingdom credit institution that has at least the features of a basic bank account. Halifax's records showed Mr B already had a basic bank account with it when he opened this account in July 2021. But the bank's terms and conditions seem to allow more than one account to be held. However, it's not clear to me that Mr B didn't hold any other current accounts with other providers when he applied for this one. And I'm aware he's held various accounts with different banks over the years. I've asked him to provide a copy of his credit file so that I can check this, but he hasn't provided it.

In any event, along with the terms and conditions of the account, Halifax also had to consider the provisions of the Payment Accounts Regulations 2015 (PAR 2015) relating to basic bank accounts when operating Mr B's account.

Amongst other things, these regulations set out when an account provider can close this type of account. Closure is only permitted in certain circumstances – one of them involves the consumer's conduct in relation to the bank's staff, and another is the conduct of the account and the way it is being run.

Halifax told Mr B that his behaviour is what led to the decision to close his account and it's apparent to me that this decision was not taken lightly. Halifax's records – which include phone call recordings and written notes – indicate it was well aware of Mr B's learning difficulties and that his circumstances affected his behaviour. Mr B has explained the same to this service and I've taken this into account when making my decision. Ultimately, I think the bank made efforts to adapt the way it communicated with Mr B but he still frequently lost his temper, was rude and used inappropriate language. His behaviour didn't change despite him being warned about this a number of times. I'm pleased that, despite this, Halifax extended the date of closure while we considered Mr B's complaint.

The bank has also provided this service with additional information about its decision to close the account which, as noted above, I have accepted in confidence. And, having looked at the information Halifax has provided, I am satisfied the bank has shown the criteria for closing Mr B's account has been met.

I'm satisfied Mr B was given a number of warnings that the bank might close his account and it wrote to him on 20 September 2023 to confirm it had taken the decision to do so. I think these warnings were fairly given and note the bank gave Mr B 65 days' notice, to give him time to make alternative banking arrangements.

Mr B says he's tried to open accounts with other banks but all of his applications have been declined. He's not provided any evidence of this but I understand, as mentioned above, that he's held accounts with other banks who have similarly decided to close them. And it's not unusual for a bank who has ended its relationship with an individual in the past to be unwilling to start a new relationship at a future point in time.

I appreciate the account closure will inconvenience Mr B and I'm somewhat sympathetic to the position he finds himself in. But Halifax isn't obliged to continue its relationship with Mr B simply because he cannot find alternative banking elsewhere. He's now had over five months, since receiving the bank's notice to close, to make alternative arrangements. We've also been urging him to do so for some time and have signposted him to a well-known charity which may be able to help him find a suitable alternative. I am also aware that the Payment Exception Service (a government initiative) allows individuals to collect benefit or pension payments without a bank account in circumstances when an individual has been unable to open a bank account. This might be an option that Mr B can explore.

However, as I haven't given notice of my intention to issue this decision I think it's fair to give Mr B one further week after this decision is issued, before his account is closed.

Overall, I'm satisfied Halifax has acted fairly and complied with the terms of Mr B's account and the relevant regulations when it decided to close his account. And it can fairly do so one week after the date of this decision.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 April 2024.

Ruth Hersey
Ombudsman