

The complaint

Mr D has complained about the circumstances surrounding Bank of Scotland plc, trading as Halifax, suspending his credit card account.

What happened

Mr D has a credit card account with Halifax, which it suspended due to persistent debt. Mr D has explained that he took the actions required of him set out in Halifax's letter, but that he hadn't received it in a timely manner, which was why it took longer than Halifax had required.

One of our investigators looked into what had happened. He could see that Halifax first contacted Mr D about persistent debt in September 2021, and he later reached what's known as the final milestone in March 2023. This is set out in the statements from then onwards. The March and April statements both set out the persistent debt balance and give the recommended repayment amount. However, Mr D continued to make the minimum contractual repayment for both months. The April statement payment was made on the due date of 9 May. However, it wasn't until 11 May that Mr D increased his direct debit amount.

Halifax has explained, in line with its letter regarding persistent debt of 12 April 2023, that it may suspend an account where a customer misses two payments in a row – and this is what it did here. Our investigator was satisfied that Halifax's system notes support the letter of 12 April having been sent, and that a text message was sent the same day, including details of the recommended payment amount. So, he was satisfied this would also have alerted Mr D to the need to amend his payment amount.

However, our investigator could also see that when Mr D contacted Halifax to explain he'd not received the letter until some considerable time after it was dated, it agreed to reinstate the account. He was satisfied this was fair.

Mr D disagreed. In summary he said the investigator's findings are entirely based on his assumption that the Halifax letter and text message were sent on 12 April, but the evidence suggests neither of these things happened. Further, the letter is merely dated April, without a more specific date, and Halifax doesn't hold his mobile number.

Our investigator responded to these points. He explained that the rules regarding persistent debt require Halifax to identify those customers and contact them at set milestones until such a point they've been in persistent debt for 36 months. At that point, Halifax is expected to let the customer know the account will be suspended unless they take certain actions (and then to suspend the account if no action is taken). The suspension of Mr D's account resulted from a lack of action in response to the milestone letters Halifax says it sent.

He explained that he hadn't ignored Mr D's testimony that he didn't receive the milestone letters (other than that dated April 2023 – which Mr D says was received on 11 May 2023). But, on balance, he thought it most likely they were sent, based on Halifax's system notes. These show the date on which Halifax says the letters were posted, and the code of each letter sent. It had provided generic copies of each of the letters the codes relate to, and have evidenced they hold the correct address for Mr D. The fact he received the April 2023 letter

also adds weight to the likeliness of the letters noted on the system being sent.

Our investigator said he realised there's no actual evidence of postage, but he thought that reasonable. Not all businesses will retain copies of the actual letters sent. Even if a copy of the letters were available, it could still be argued it didn't evidence a copy was posted, so he doesn't think copies of the letters not being on file is evidence of them not being sent. It would be unfair to conclude a letter wasn't sent just because Halifax can't provide specific evidence of it leaving their premises. Instead, he thought it reasonable that Halifax rely on the notes from their system as evidence of the letters being sent.

Contrary to his initial view, our investigator accepted that Mr D hadn't received any text messages. That's because the mobile telephone number Halifax holds isn't a valid mobile number (as it starts 08 rather than 07). But, he didn't think that Mr D not receiving texts changes the overall outcome, or makes it more likely the letters weren't sent.

He also thought about the date written on the April 2023 letter. He considered that the date recorded, whether it be a specific day or just the month, has no bearing on how likely it is the letter was sent, or whether it was sent on the date recorded on Halifax's systems.

He said he had no reason to doubt Mr D's testimony that a Halifax agent said there was proof of posting of the April 2023 letter, and agreed there is no specific evidence of this. But he thought it reasonable the agent would refer to the system notes as evidence of postage, so didn't agree that an agent saying this and then not providing actual evidence of postage is an indication this or other letters weren't sent on the dates recorded, or makes it more likely the records can't be relied upon.

Our investigator remained satisfied Halifax's decision to suspend the account was fair. Both the March 2023 and April 2023 statements had included Mr D's persistent debt balance and the recommended payment amount, but he'd paid the minimum contractual amount on both occasions. The persistent debt letters made it clear that Halifax would stop the card if he missed two consecutive recommended payments.

Our investigator went on to say that there's no dispute the action Mr D took was before the account was suspended. But, this wasn't to make a recommended payment, only to change a direct debit instruction. Changing the direct debit didn't alter the fact he'd already failed to make the recommended payment for two consecutive months, or the amounts received by Halifax for those months. He was changing the direct debit ready for the next month, rather than for the months in which he'd already needed to make the increased payment to avoid the account being suspended.

Mr D disagreed. He considers the Halifax system notes to be flawed, so can't be relied upon. His complaint's now been passed to me.

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've carefully considered all of the information provided, including Mr D's submissions, for which I thank him. In my decision, I won't refer to every piece of information provided, although I've considered everything. Rather, I'll focus on what I feel goes to the heart of the complaint, in order for me to reach a fair outcome. I mean no discourtesy by this.

Having looked at everything that's happened, I'm satisfied Halifax has acted fairly, and for the same reasons given by our investigator. I know this will be very disappointing for Mr D.

But I don't agree that there's evidence that Halifax's system notes can't be trusted. I accept that it's correct Mr D didn't receive text messages, but there's a clear explanation for this, which is that the number on file was incorrect. It doesn't show that the system notes themselves are untrustworthy.

I cannot know why Mr D didn't receive the letters, because Halifax had his correct address. But I'm satisfied, on balance, that they were sent. System notes typically don't include proof of posting, and I think this is reasonable – I think it sufficient that they record what was generated and when. And it's agreed that the April letter was received – albeit not until a month after the date shown on the system. It's unclear why this was, but I don't think it suggests there's an inherent issue with Halifax's system, or that the letter wasn't sent when Halifax says. Possibly it was caught up in the postal system.

Ultimately, when Mr D contacted Halifax and said he'd only just received the April letter, it reinstated his account. I think this was reasonable, so I don't require it to do anything more.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 September 2024.

Elspeth Wood
Ombudsman