

The complaint

Mr B is unhappy that Bank of Scotland plc, trading as Halifax, placed account dormancy restrictions on his account.

What happened

Mr B holds a Halifax bank account which he hadn't used for several years, and which was considered dormant by Halifax. Mr B contacted Halifax and was told that to reactivate his account, he would need to visit a Halifax branch and present his passport and utility bills which would confirm his address. Mr B visited a Halifax branch with those documents and Halifax took a copy of his passport to send to their head office along with the utility bills Mr B had provided. Halifax then removed the dormancy status from Mr B's account.

Mr B used his reactivated Halifax account on several occasions and went overseas, with plans to remain overseas for several months. While overseas, Mr B found that Halifax had incorrectly reapplied the dormancy status to his account, so that he couldn't use it.

Mr B contacted Halifax about this and was told that the utility bills and copy of his passport the branch staff had taken had never been received by their head office. Mr B was also told that because of this, he would either need to repeat the process he'd already undertaken and come into a Halifax branch with his passport and similar utility bills – which Mr B couldn't do because he was overseas – or he could have certified copies of his passport and utility bills made which he could post to Halifax. Mr B wasn't happy that Halifax had lost the original documents they'd taken from him, or that they wouldn't remove the dormancy status from his account. So, he raised a complaint.

Halifax responded to Mr B and apologised for what had happened and offered to pay £175 to him as compensation for any trouble and upset he may have incurred. But Halifax also confirmed that Mr B would be required to re-present the required documents to Halifax as requested for the dormancy status to be removed from his account. Mr B wasn't satisfied with Halifax's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt the response Halifax had issued to Mr B already represented a reasonable resolution to what had happened. Mr B remained dissatisfied, so the matter was escalated to an ombudsman for 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.

I issued a provisional decision on this complaint on 27 March 2024 as follows:

Halifax have acknowledged that Mr B presented his passport and utility bills to them, and Halifax's branch staff were sufficiently satisfied by these documents that they removed the dormancy status from Mr B's account so that he could use the account again – which Mr B then did.

However, Halifax's dormancy status removal process also includes that the presented documents must be received and confirmed by their head office. And because Halifax's head office didn't receive Mr B's documents – either because they weren't sent or because they were lost in the post – the dormancy status was reapplied to Mr B's account.

In their response to Mr B's complaint, Halifax apologised that Mr B's documents hadn't reached their head office but said that Mr B would need to repeat the dormancy removal process – with further options presented to Mr B because he was overseas. These further options included that Mr B could have copies made of his documents while overseas and have these copies certified by a notary, solicitor, or accountant in the overseas territory where Mr B was, before posting the certified copies to Halifax. And Halifax offered to pay £175 to Mr B to compensate him for the inconvenience of complying with this requirement.

But Mr B has explained that, while Halifax took a copy of his passport, they kept the original utility bills – which Halifax can no longer find. And Mr B isn't in the UK to be able to access any other utility bills or similar documents. As such, it seems that it isn't reasonably possible for Mr B to fulfil Halifax's requirements in the regard.

Ultimately, Mr B did visit a Halifax branch before leaving the UK and did present the requisite documents to Halifax's branch staff. These documents were accepted as being sufficient by Halifax's branch staff, who removed the dormancy status from Mr B's account. This means that Mr B did everything required of him by Halifax in the first instance. And given that it isn't Mr B's fault that his documents weren't received by Halifax's head office, I feel that a fair outcome to this complaint is that Halifax should remove the dormancy status from Mr B's account with immediate effect and without the need for Mr B to fulfil a requirement he's already previously fulfilled – and which it now isn't reasonably possible for Mr B to fulfil. And I'll be provisionally upholding this complaint in Mr B's favour on that basis.

I'll also be provisionally instructing Halifax to pay £300 compensation to Mr B for the trouble and frustration he's incurred surrounding this matter. In arriving at this amount, I've considered the upset and inconvenience Mr B has experienced in not having his Halifax account available to him and in having to contact Halifax from overseas.

But I've also considered that Mr B has explained that he was able to borrow money from friends, which mitigated against that impact, and also that it appears from his credit file that he does have another UK bank account available to him. Finally, I've also considered the general framework this service uses when assessing compensation amounts, details of which are on this service's website. And taking all these factors into account, I feel that £300 is a fair compensation amount.

Finally, Mr B has said that he believes Halifax have lost his personal documents and have breached data protection regulations by doing so. But as explained at the beginning of this section, this service isn't a regulatory body, and so it isn't within my remit to decide whether Halifax have acted in breach of any regulations or not. If Mr B wants a decision of this type, he would need to approach the relevant regulatory body, which in this instance is the Information Commissioner's Office ("ICO").

However, I can consider this aspect of Mr B's complaint from a general fairness perspective. And doing so, I feel it must be noted that it isn't understood what happened to the documents that Halifax took from Mr B. And while it could be the case that Halifax didn't send the documents to their head office it could also be the case that the documents were sent by Halifax but were lost in the post – which isn't something I'd reasonably consider Halifax accountable for.

Additionally, Halifax have confirmed that they've searched for Mr B's documents in branch but have been unable to find them. Halifax feel that this most likely means that the documents were sent to their head office or have been destroyed. And I find Halifax's reasoning in this regard to be persuasive. Accordingly, I don't feel that it can be said with any degree of certainty that Halifax have acted unfairly here in the way that Mr B contends, and so I won't be upholding this aspect of Mr B's complaint.

Halifax responded to my provisional decision and confirmed that they were happy to accept it. Mr B also responded to my provisional decision and said that he didn't feel that £300 compensation went far enough in consideration of the trouble and upset that Halifax caused him. And Mr B also said that while he does have another UK bank account, that account has been dormant for some time and so can't presently be used.

But I don't feel that the fact that Mr B doesn't have access to another active UK bank account is a significant factor here such that any additional compensation should reasonably be instructed. And it remains the case that Mr B has been able to borrow money from friends and family during this time to mitigate the impact of what's happened.

As such, while I accept that Mr B has been frustrated and inconvenienced by what's taken place here, I continue to feel that £300 is a fair compensation amount. Accordingly, my final decision will be that I uphold this complaint in Mr B's favour on the same basis as I described previously in my provisional decision.

Putting things right

Halifax must remove the dormancy status from Mr B's account with immediate effect and without the need for Mr B to provide any further documents.

Halifax must also make a payment of £300 to Mr B.

My final decision

My final decision is that I uphold this complaint against Bank of Scotland plc, trading as Halifax, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 May 2024.

Paul Cooper
Ombudsman