

The complaint

Mr C complains that Bank of Scotland plc trading as Halifax withdrew his credit card account.

What happened

Mr C held a credit card with Halifax. In November 2023 Mr C made a lump sum payment to reduce the balance on the card.

Mr C says that in January 2024 he contacted Halifax to ask whether he could use the card again. Mr C says he was advised that he was asked some questions about his health and financial situation and the card was activated, but around 3 weeks later the card was blocked and his account was closed.

Mr C complained to Halifax. He said he believed that the closure of his account was due to his health condition, and he thought he'd been discriminated against.

In its final response dated 30 January 2024, Halifax said the account had been overdrawn for several months and had not been used for an extended period of time. It said the account had entered Persistent Debt. Halifax said that these were likely to have been contributing factors in the decision to close the account.

Mr C remained unhappy and brought his complaint to this service. He wants Halifax to write off the balance on his account and allow him to use the card again.

Our investigator didn't uphold the complaint. He said the terms and conditions of the agreement allowed Halifax to close the account. The investigator said there was no evidence that Halifax had closed the account because of Mr C's health condition.

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 reviewed the terms and conditions of Mr C's credit card agreement. These say that Halifax can cancel or suspend the use of the card in certain circumstances. They also say that Halifax can close the account at any time.

I've also reviewed the history of Mr C's account. This shows that Mr C's account has been in Persistent Debt since July 2019. In January 2021 the account still met the Persistent Debt definition and a pay down plan was created for Mr C, but he didn't respond to it. Persistent Debt means that Mr C had paid more in interest, fees and charges than he'd repaid off the balance for a period of 18 months or more. Between March 2021 and January 2024 the account was in Persistent Debt but was also in and out of Collections due to missed/late payments.

I've looked at what happened to decide whether Halifax treated Mr C fairly when it closed his account. As I've said, the terms and conditions of the agreement allow Halifax to close an

account at any time. Mr C has said that he believes his account was closed due to his health condition. I've reviewed everything but I haven't seen any evidence to suggest that Mr C's health was a factor in Halifax's decision to close the account.

Halifax has explained that it regularly reviews customer accounts and that as part of that review it takes a number of factors into account in considering whether or not to allow the customer to continue to use the account. In this case, Halifax has said that it took information from credit reference agencies into account, as well as information which it already held about Mr C's management of the account. Halifax has said that the fact that the account was in Persistent Debt and had had an overdue amount for several months was also a factor in its decision to close the account.

Ultimately, it's a business decision for Halifax if it decides to close an account. This service can only look at whether that decision was made fairly. And in this case, I haven't seen anything which gives me reason to believe that Halifax didn't follow its processes or that it treated Mr C unfairly.

Mr C has told this service that he had a telephone conversation with the complaints manager at Halifax in which he was advised that his disability and health had been a contributing factor in the decision to close his account. I've listened to the relevant call, but I haven't heard anything to support what Mr C has said in this regard. This service asked Mr C whether there were other calls, but Mr C said he hadn't kept a record of all the calls he'd had with Halifax.

I appreciate that Mr C is unhappy that his account has been closed. However, having reviewed everything, I'm unable to say that Halifax has made an error as the terms and conditions of the agreement allow them to close the account for any reason. There are a number of reasons why an account might be closed. I haven't seen any evidence to suggest that Mr C's health was one of those reasons.

My final decision

My final decision is that I'm unable to 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 25 September 2024.

Emma Davy
Ombudsman