

The complaint

Ms G complains Bank of Scotland plc trading as Halifax unfairly closed her accounts.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Ms G held an Everyday Saver and Instant Access Savings Account with Halifax. In March 2024 Halifax carried out a central review of Ms G's accounts and made the decision to end its banking relationship with Ms G. On 22 March 2024 Ms G was issued a notice to close letter which explained that Ms G's accounts would close in 65 calendar days, and that alternative arrangements should be made for any funds within the account.

Ms G raised a formal complaint about the closure of her accounts, explaining Halifax hadn't provided her with clear reasons for its decision and it had treated her unfairly. Halifax issued a final response letter, explaining it had acted in line with the account terms and conditions, and it wasn't under any obligation to inform Ms G of the reasons for the account closures.

Ms G remained unhappy and referred her complaint to our service. An Investigator reviewed her concerns, and they didn't uphold Ms G's complaint. In summary they explained:

- Halifax's regulatory obligations meant it was required to monitor and review customer accounts and it didn't need to give Ms G notice of this review or a reason for the closure.
- Halifax has disclosed the specific reasons to this service in confidence and they were satisfied Halifax acted fairly in light of the information available.
- There wasn't any evidence to suggest Ms G had been discriminated against or treated unfairly.

Ms G remained unhappy and maintained Halifax had acted unfairly. The case has been referred to me – 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.

Firstly, I am sorry to see Ms G has had cause for complaint at what is a difficult time for her and her daughter. I don't underestimate the worry this situation has caused, and also the stress of dealing with the complaint about it. Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out and for much the same reasons. I will explain why.

As a UK financial business, Halifax is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing

monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Halifax needs to restrict, or in some cases go as far as closing, customers' accounts.

Halifax has explained and given me information to show why it reviewed and closed Ms G's accounts. Having carefully considered this, I'm satisfied Halifax took these actions in line with the obligations it must adhere to.

Halifax is entitled to close an account just as a customer may close an account with it. But before Halifax closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the accounts, which Halifax and Ms G had to comply with, say that it can close the accounts by giving her 65 days' notice. And in certain circumstances it can close an account immediately or with less notice. Halifax provided Ms G with 65 days' notice and in this period Ms G was able to use the accounts as normal. Having looked at the information given to me by Halifax, I'm satisfied it was entitled to close the account in the way that it did.

I know Ms G would like an explanation as to why Halifax took these actions. But it isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses' as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Halifax has provided is information we consider should be kept confidential. But I can assure Ms G that having reviewed it, Halifax's decision to close Ms G's account was fair and reasonable in the circumstances.

Ms G says that he is a victim of discrimination by Halifax. While I can appreciate this is her perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Ms G has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that this was the case. So, I haven't found that Halifax decided to close the account for an improper reason.

I can see Ms G has been able to open an account elsewhere which I hope has limited the impact of Halifax's decision. I know this will not be the outcome Ms G was hoping for, but I am satisfied Halifax acted reasonably in closing Ms G's accounts. I hope my decision provides some clarity around why I won't be asking Halifax to take further action.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 6 December 2024.

Chandni Green
Ombudsman