

## **The complaint**

Mr M complains that his account with Bank of Scotland plc trading as Halifax showed as open on his online banking when it had been closed since April 2024.

## **What happened**

Mr M held a credit card account with Halifax. In March 2024 Halifax wrote to Mr M and said that due to dormancy and because he hadn't used the card for over a year, it would be closing the account after 60 days.

In April 2024 Mr M contacted Halifax and requested to close the account.

Mr M noticed that the account was still showing as open on his online banking. He contacted Halifax and was advised that he couldn't close the account because collections had blocked it. When Mr M was transferred to the collections team, they said his account wasn't – and never had been – in collections.

Mr M complained to Halifax. He was unhappy that a block had been placed on his account when it wasn't in arrears. He was also unhappy that the account hadn't been removed from his online banking and said this was impacting his credit score.

Halifax issued a final response on 30 August 2024. It acknowledged that when Mr M contacted them by phone and via online chat, he'd been told that his account was with collections. Halifax said this was incorrect and that Mr M should have been told that the account had been closed. Halifax apologised for any inconvenience caused to Mr M and paid compensation of £100.

Mr M wasn't happy with the response and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said it was agreed that Halifax had made an error by incorrectly advising Mr M that his account had been to collections, with the account reflecting as open on online banking for longer than it should've done. The investigator said he thought the compensation already paid appropriately reflected the distress and inconvenience caused to Mr M.

Mr M didn't agree. He said the investigator hadn't taken into account the stress and health issues that he'd been caused by this matter. Mr M also said that because his old account was still showing as open, his application for another balance transfer credit card from Halifax was declined. Mr M said that he'd had to apply for a balance transfer credit card from a different provider, but the interest free period wasn't as long as that offered by Halifax, and he had to pay a balance transfer fee of 3.49%. Mr M also said that the compensation he'd received from Halifax was only for the incorrect information he'd been given and not for the distress caused. Mr M said he wanted further compensation.

## **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 know it will disappoint Mr M, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, its not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here, I have to base my decision on the balance of probabilities.

Halifax has acknowledged that it made an error when it incorrectly advised Mr M that his account had been to collections. It has also acknowledged that the account remained open – and therefore on Mr M's credit file – for longer than it should've done.

I've reviewed the available information about what happened from the time when Mr M requested to close the account. I can see that when Mr M requested to close the account in April 2024, Halifax placed a closure block on the account. Generally, the account should've been removed from Mr M's online banking within 4 months of this, so by 12 August 2024. However, on 5 June 2024, Halifax placed a withdrawn block on the account. This block related to the account closure letter which was sent to Mr M on 22 March 2024. Due to the second block being applied, this delayed the removal of the account from Mr M's online banking. The second block meant that the account would've been removed by 5 September 2024 but when Halifax realised what had happened, it arranged to have the block removed on 30 August 2024, which was just over two weeks from when it would've been removed had the second block not been placed on the account.

The additional delay that Mr M has therefore suffered as a result of the error by Halifax in placing a second block o the account is around two weeks – or 18 days between 12 August 20204 and 30 August 2024.

I haven't seen anything in the information I've reviewed which suggests that the account went to collections. I appreciate that Mr M was told that the account was with collections on more than one occasion, but based on what I've seen, this was incorrect information and not an accurate reflection of what was happening with the account. I'm satisfied that the account was never actually sent to collections.

I understand that the incorrect information caused distress to Mr M. Halifax has recognised this. It has apologised and has paid compensation of £100 for the incorrect advice. Mr M has said that he doesn't believe the compensation goes far enough. He's made the point that his health was impacted by the error.

I'm sorry to hear about the impact on Mr M's health. Mr M told this service (in his complaint form) that one of the reasons for reviewing his finances and closing the account was due to his recovery from a previous period of ill health. He's told this service that the distress caused by the account remaining open on his online banking caused him to seek medical assistance. I have no reason to doubt what Mr M says about his health and the medication he was prescribed. However, I haven't seen any independent medical evidence to support a finding that Mr M's health situation was caused directly by Halifax's errors.

Mr M has said that he was told by one of the call handlers that it would take 68 months for his account to be removed from online banking. I appreciate that this information would've caused Mr M distress. I haven't been able to identify that this was said in the calls which have been provided to this service. However, even if this was said, it appears to have been

incorrect information, as I can see that the account was removed from online banking on 30 August 2024.

I'm satisfied that the compensation already paid reflects both the incorrect advice and the distress and inconvenience caused as a result. In the circumstances, I'm not persuaded to make a further award of compensation.

I've also considered the points Mr M has made about his inability to apply for another balance transfer card with Halifax. Mr M hasn't provided any evidence of what card he applied for and what the terms were, nor is there any evidence to show that an application to Halifax was declined. Even if an application to Halifax was declined, there's no evidence to suggest that this was as a result of the errors which are the subject of this complaint. For these reasons I'm not persuaded that any further award of compensation is warranted here.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2025.

Emma Davy  
**Ombudsman**