

The complaint

Mr and Mrs B complain that Bank of Scotland Plc trading as Halifax (“Halifax”) didn’t notify them that their accounts were to be closed and have concealed information from them since.

What happened

Mr and Mrs B held a savings account and a current account with Halifax. The current account had an overdraft attached with a limit of £2,400. As of March 2022, the savings account had a balance of £1.58 and hadn’t been used for two years.

In June 2022 the savings account was closed, and the balance was transferred to another account. In March 2023, the current account exceeded the overdraft limit and Halifax reached out to Mr and Mrs B, asking them to bring it back within the arranged limit.

In April 2023 Halifax issued another letter advising they’d need to pay with two months of the date of the letter, otherwise they’d close the account and potentially default and sell the debt on.

In May 2023 Halifax issued another letter advising there were 30 days left for Mr and Mrs B to get in touch – they also sent text messages twice in May 2023. As Halifax didn’t hear from Mr or Mrs B, the account was closed in June 2023, and the debt was sold to a third party.

In September 2023, following a letter from the third-party debt collector, Mr B complained to Halifax. He said he wasn’t informed about the closures of the accounts or the fact the debt was being sold. He asked Halifax for a Data Subject Access Request (DSAR) and a detailed explanation of why the two accounts were closed.

Halifax issued two separate final response letters for each account. The first was issued on 20 October 2023 and outlined information regarding the current account. This complaint was partially upheld – while Halifax believed they’d given Mr and Mrs B sufficient notice regarding the closure and sale of the account, they felt they could’ve done more to support him financially over recent years.

They refunded all interest and charges added between March 2019 and March 2021 – a total of £2,102.99, reducing the overall outstanding balance to £395.22. They backdated the default applied to March 2019.

Regarding the savings account, Halifax issued a final response letter dated 21 October 2023 rejecting the complaint. They said the account hadn’t been used for two years. So they advised Mr and Mrs B on 2 March 2022 they would be closing the account by June 2022. unless Mr and Mrs B let them know they wished for the account to remain open. The letter was accessible via their digital mailbox.

Following receipt of the DSAR, another complaint was raised to Halifax because the letters mentioned in the final responses weren’t included and so Mr B still didn’t have access to what was sent regarding the account closures. Halifax issued a final response letter in

November 2023 apologising for this, and said it was because these letters were sent from a different system.

Mr B remained unhappy and so referred the complaint to our service in February 2024. An Investigator here looked into things. They were satisfied the letters were issued, and to Mr B's correct address. They were also satisfied the account had been closed in line with the terms and conditions and so didn't uphold Mr B's complaint.

In response to the opinion, Mr B said he found the answer to be subjective and remained unhappy the DSAR didn't contain all correspondence between himself and Halifax. He reiterated he hadn't received the letters.

When taking on the complaint, it became evident Mr B was unhappy he hadn't received a copy of the letters referred to throughout the final response letters and the opinion of the Investigator and so I asked for them to be sent to him.

Subsequently, Mr B made further submissions which in summary say:

- Why were the letters withheld from him?
- He's struggling with feeling as though he's not believed and it's causing him stress
- He didn't receive notice of the closures
- FOS are supportive and protective of the Halifax – the opinion is subjective
- Two accounts were closed without explanation or warning
- FOS' legal department should apply for a police investigation into what's gone on

Because an agreement couldn't be reached, the complaint has been passed to me to decide.

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'd like to start by acknowledging it's very clear to me just how important this matter is for Mr B. He has set out his position in great detail and has provided lots of supporting information. I think it's important I explain that whilst I have read and considered all the information provided by both parties, I've outlined my findings in considerably less detail. I don't mean any discourtesy by this, rather this reflects the informal nature of our service. I've still considered and addressed the crux of his complaint.

Closure of the savings account

Halifax have provided the Service with a copy of a letter which is correctly addressed to Mr B and dated March 2022. This letter advises him that due to the savings account not being used in over two years, they're going to close it by 13 June 2022.

The letter gives Mr B the option to call if he wants to keep the account open, otherwise the balance of £1.58 will be transferred to another account in his name.

I've thought about whether there's a possibility Mr B didn't receive this letter – and of course, there is. However, I'm satisfied Halifax had sent it. And so, what I need to consider next is what the impact would've been of Mr B not receiving the notice to close.

Having done so, I can't say closing this savings account would've had a negative impact on Mr B. This is because there was a very small balance in the account that was being paid out to another account in his name, and the account hadn't been used in over two years.

Mr B said he hasn't received an explanation for why the account was closed, but it's because it wasn't used for an extended period of time and had a very low balance.

So it follows that I don't think Halifax have done anything wrong – they've followed their terms and conditions, refunded Mr B the available balance and a letter was issued to him by post, and also digitally. Equally, I can't see that Mr B has lost out as a result of this account, which wasn't being used, either.

Closure of the current account

Mr B says he was unaware the account was due to be closed and didn't receive any notification. Halifax said they wrote to Mr B on at least three occasions, as well as sending text messages to his number.

I understand Mr B says the opinion of the Investigator is subjective, but I've got to consider the evidence here. On the one hand, Halifax can show letters that I'm persuaded were sent to the correct address. And on the other hand, I've got Mr B saying he didn't receive them.

I'm mindful that the vast majority of correctly addressed post will typically be received, and with all this in mind, even if I were to accept one letter wasn't successfully delivered, which for avoidance of doubt I find unlikely, it's even more unlikely that all of them were incorrectly delivered. Furthermore, all Halifax could do was notify Mr B what it was intending to do using via a reasonable method. It sent Mr B a number of letters by post, and I consider this to be a reasonable method.

I want to reassure Mr B I'm not questioning his integrity or honesty; it's simply about weighing up the evidence that's presented to me from both parties.

On top of this, Mr B was sent two text messages reminding him his account had gone over the agreed credit limit. I also need to consider that it was Mr B's responsibility to ensure that his account was managed in line with its terms and conditions of the overdraft – that is, it was kept within the £2,400 limit agreed upon. As Mr B had been over his agreed limit for a period of time and this doesn't appear to be in dispute, I don't think that it was unreasonable for Halifax to take action, even though there may have been adverse consequences for Mr B.

Halifax are entitled to sell debts on or instruct collectors on their behalf to retrieve payment, particularly when they're not receiving any response from their customer. So again, unfortunately I can't say Halifax have acted unfairly here. They've followed their terms and conditions and acted in line with industry-wide procedures.

Mr B says he was given no explanation as to why the account was closed, but I think it's clear. The account had gone over the agreed credit limit in February 2023 and no further funds were paid into the account before it closed, and Halifax weren't receiving a response from Mr B. It wouldn't have been fair to leave the account open, incurring interest indefinitely. Indeed, this is likely to have resulted in Halifax failing to act fairly and reasonably. It's better that Halifax acted early, after several unsuccessful communication attempts than to leave Mr B in a position where he's incurring multiple monthly charges, causing the debt to snowball.

I know this is going to disappoint Mr B but I hope he understands my reasoning. It's not that the Service is supporting or protecting Halifax, but that we're reviewing all available evidence and testimony, and weighing up what's more likely than not to have happened.

Not receiving the letters as part of a DSAR

Halifax should've provided you with copies of the letters when you did a DSAR. In their final response letter, they apologised for having not done it, and said they were attached. I'm sorry you didn't receive them at this time.

I've considered whether compensation here is appropriate, but as Mr B has asked for £50 for every month the account has been opened, I didn't feel a nominal award would be sufficient, and ultimately, I don't think things would've changed for Mr B had they been included in the DSAR. I say this because Mr B feels Halifax didn't notify him of the closure.

The role of our Service is to consider individual complaints and weigh up what's happened. Our service isn't punitive, and we wouldn't look to open a police investigation into conduct of any kind. Mr B can reach out to the regulator, The Financial Conduct Authority (FCA) and report what he believes is happening with Halifax.

Overall, while I appreciate this is likely to be disappointing for Mr B, for the reasons I've explained above I won't be upholding his complaint. This isn't because I'm supporting Halifax, or looking at the complaint in a subjective manner, it's because weighing up the evidence supported I need to consider what's more likely than not to have happened.

My final decision

It's my final decision that Bank of Scotland Plc trading as Halifax haven't treated Mr and Mrs B unfairly when closing their accounts.

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

Meg Raymond
Ombudsman