

## **The complaint**

Mr T complains that Bank of Scotland plc (trading as Halifax) closed his bank account without providing an explanation. He is also unhappy with the customer service he received in branch.

## **What happened**

The circumstances that led to this complaint are well known to both parties. As such, I'll provide only an overview of the most essential facts here.

Mr T had a current account with Halifax. In April 2024, Halifax reviewed how Mr T was operating his account. Following this Halifax took the decision to close Mr T's account and sent him a letter giving him 65 days' notice that he needed to make alternative banking arrangements. During the notice period Mr T was able to use his account without any issues.

Mr T was upset to learn Halifax were closing his account and asked Halifax to review its decision. Mr T visited a branch on several occasions to lodge his appeal. Each time Halifax gave Mr T conflicting and wrong information about how to raise his appeal.

Mr T complained to Halifax. In response, Halifax said it hadn't done anything wrong when it had closed his account and had done so in line with the terms and conditions of the account. Halifax accepted that the service it provided to Mr T in branch regarding his appeal, fell short and offered him £150 compensation for the trouble and upset its actions had caused him.

Mr T remained unhappy and brought his complaint to us. He said Halifax have treated him unfairly when it closed his account. He said that his financial future would be damaged, and his credit file adversely impacted. To put things right he wants Halifax to reopen his account, tell him why it closed the account and pay him compensation for the trouble and upset he has suffered.

One of our investigators reviewed the complaint and didn't think Halifax had acted unfairly when it had closed Mr T's account. He also explained that Halifax didn't have to explain why it no longer wanted Mr T as a customer and said he hadn't seen any evidence that Halifax had recorded any markers against Mr T that might impact him negatively.

Mr T disagreed and asked for an ombudsman to review his complaint.

As no agreement could be reached the complaint has come 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.

Mr T is unhappy that Halifax decided to close his account. He has said that he wants an account with Halifax. I appreciate the account closure inconvenienced Mr T and I'm

somewhat sympathetic to the position he finds himself in. But Halifax isn't obliged to continue its relationship with Mr T simply because he wants to bank with them.

As the investigator has already explained, banks are entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions of the account. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Halifax have relied on the terms and conditions when closing Mr T's account. These state that the bank can close an account by giving two months' notice. And in some circumstances immediately. Here, Halifax wrote to Mr T in April 2024, giving him the full notice period that it was closing his account and that he'd need to make alternative banking arrangements. So, I'm satisfied that it's complied with this part.

I've then gone on to consider whether Halifax's reasons for closing the account was fair. In doing so, I appreciate that Halifax is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Halifax should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

After considering all the available evidence and circumstances, I haven't seen any evidence that would lead me to conclude Halifax closed Mr T's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its commercial discretion. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision. So, it was entitled to close the account as it's already done. And I won't be directing Halifax to reopen Mr T's account.

I understand Mr T wants Halifax to explain the reason it closed his account. It can't be pleasant being told you are no longer wanted as a customer. But Halifax doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr T the reasons behind the account review, as much as he'd like to know. It's also under no obligation to provide Mr T with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving Mr T this information. And it wouldn't be appropriate for me to require it do so now.

Mr T also complains about the service he received from Halifax when he tried to appeal its decision to close his account. Mr T made several trips to branch to start the appeal process and on each visit, he was giving different instructions about what he needed to do and wrong information.

Halifax has acknowledged its errors in this case and agreed to pay £150 compensation in recognition of its poor service. Mr T says this isn't enough. But I'm satisfied that £150 is a fair amount of compensation and adequately compensates Mr T for the results of Halifax poor communication. I've considered Mr T's further comments. But these don't change my conclusions. So, I won't be asking Halifax to do anything more to resolve Mr T's complaint.

Finally, I note that Mr T believes Halifax has recorded an adverse marker against him because he has struggled to open another bank account. But I've not seen any evidence that Halifax has recorded any markers against Mr T that would make it difficult for him to open another account elsewhere.

In summary, I realise Mr T will be disappointed by my decision. But based on the available evidence, I won't asking Halifax to do anything more to resolve Mr T's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 December 2024.

Sharon Kerrison  
**Ombudsman**