DRN-5336727

The complaint

Mr M complains Bank of Scotland plc trading as Halifax (Halifax) unfairly closed his account. He is also unhappy with the service he received following the closure of his account and whilst in branch.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr M had a savings account with Halifax. Mr M has explained that he suffers with mental health conditions and dyslexia. Due to how Mr M's conditions impact him he accessed his savings account using a passbook and providing identification when he visited a branch.

Mr M told Halifax about his health conditions in February 2024. Mr M declined to have a bank card for his savings account as due to his conditions he has trouble remembering PIN's.

On 6 August 2024, Mr M visited a Halifax branch to withdraw cash from his savings account. Mr M joined the customer queue with his passbook. Whilst in the queue a member of staff approached Mr M and asked if he had a card to use to make his withdrawal instead of having to wait in line.

Mr M says he told the staff member that he doesn't have a card. And that he doesn't want one. But despite Mr M response Mr M says the member of staff continued to encourage him to have a card so that he could use a cash machine and then accused him of holding up the queue. Mr M says the staff member then said to him 'perhaps I should give you a badge.' Mr M says he found the comment condescending and upsetting especially because of his disability. And he isn't comfortable mentioning his health conditions when carrying out banking transactions.

Mr M says once he reached the branch counter the same staff member approached him and told him to hurry up so that the queue could move. Mr M says the staff member told him to hurry up on three occasions and appeared angry. He says this made him feel rushed and belittled. So, he told the staff member that he didn't want to be rushed.

Mr M said that the same staff member then asked him if he wanted to make a complaint about them, which Mr M thought would be odd as he'd be making a complaint to the person whose behaviour he was unhappy with. Mr M says he then left the bank.

Mr M says whilst he was passionate in the way he spoke to the staff member he didn't shout and insists he wasn't abusive or threatening towards them. Halifax say Mr M was angry and aggressive towards staff. And made a racist comment about the badge suggestion. Mr M says this isn't true. Halifax said that its staff member did make a comment about giving Mr M a sticker – but said this was done to lighten the situation.

On the back of the branch incident Halifax made the decision to close Mr M's account in line with the terms and conditions with one months' notice. A letter was sent out to Mr M to advise him of this. The letter told Mr M that he had 30 days' notice to make alternative banking arrangements. Mr M's savings account was closed on 18 September 2024, and a cheque was sent out to him for the closing balance.

Mr M wasn't happy that Halifax had made the decision to close his account, so he raised a complaint. He said he hadn't behaved in a threatening or abusive way. He had simply gone into the branch as usual to take out money. And then got into a conversation with a member of staff about not having a bank card, which was challenging, and he had found the badge comment hurtful. But he thought the incident was done and dusted. So, he was upset to find out Halifax had decided to close his account. And feels he has been singled out because of his ethnicity.

Halifax responded to Mr M's complaint and confirmed that their decision to close his account wouldn't be changed. And that his complaint would be sent to the branch manager to investigate. Mr M wasn't happy about this as he was worried about a lack of transparency and conflict of interest. He's also unhappy that when he spoke to Halifax on the phone about his complaint he was accused of being a racist.

Unhappy with Halifax's actions, Mr M asked us to look into things. After reviewing everything and asking Mr M and Halifax for some more information one of our investigator's said Halifax hadn't done anything wrong when it had closed Mr M's account and had done so in line with the account terms and conditions. The investigator also said that it was up to Halifax how it decided to investigate complaints. But they said the comment made about the badge was inappropriate and that Halifax should pay Mr M £100 for the upset this caused him.

Halifax disagreed. It said the comment was made to diffuse the situation and wasn't intended to cause Mr M any offence. Halifax also argued that Mr M had upset its staff, and they had a duty of care to protect them from abusive customers.

Mr M disagreed. In summary he said:

- He feels Halifax is picking and choosing what evidence to send to our service. He feels Halifax is covering things up. And hiding the reason for closing his account.
- Halifax closed his account due to his disability as he wanted to continue to use a passbook. He thinks Halifax wants everyone to be automated, that's why they don't want him as a customer.
- He is unhappy with £100 compensation and finds this an insult. He believes Halifax closed his account due to him being black and disabled.

A no agreement could be reached the matter 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.

I think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I would like to highlight that I've taken into account Mr M's very detailed submissions about what he says has happened. I say this as I'm aware I've summarised Mr M's complaint in less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint. Our rules allow me to do this.

Has Halifax treated Mr M fairly when it closed his account?

Mr M and Halifax have provided different testimonies as to what happened when Mr M went into branch in August 2024. I've no concrete evidence of what happened in the branch. I wasn't there, and no CCTV recordings have been provided. But I don't think it's necessary to get to this level of proof. I say that because I'm satisfied I've been provided with enough information to reach a fair outcome.

Mr M has said he was passionate when speaking to staff in branch on 6 August 2024. But he says he didn't shout or behave in a threatening manner. He's pointed out that he was able to complete his banking and left the branch. So, he thought things had essentially resolved themselves. He says it's because he's black and has a disability which is what led Halifax to closing his account. – so, they've treated him unfairly.

If a financial institution chooses to close an account, they should do so in line with the terms and conditions of the account and their reasons should be legitimate, fair and non-discriminatory.

The terms and conditions say Halifax can close an account without notice if "*you are or may be behaving improperly. This includes being abusive or threatening to our staff."*

Halifax gave Mr M 30 days' notice of closing his accounts, despite saying he'd been abusive, and threatening. If I think Halifax have reasonably decided Mr M was abusive and intimidating, then Halifax have acted more than fairly, as they've given him notice when they weren't required to. If I think Halifax have unfairly decided Mr M was abusive, then Halifax haven't acted fairly - as the terms go onto say they'll give two months' notice if no other reasons apply.

Mr M says Halifax staff haven't been honest and provided misinformation about what happened. I wasn't present during Mr M's branch visit when he says he was treated unfairly. And there isn't a recording or of what happened which clearly shows Mr M was treated unfairly. Instead, I have testimonies provided by the people involved, namely Mr M and the staff at the branch who dealt with him on 6 August 2024.

I've also kept in mind that Mr M has accepted he was passionate when he spoke to the staff member during his time at the branch. Having looked at everything, it seems very unlikely to me that independent staff members would each report Mr M had been abusive and threatening towards them. I'm not deciding directly whether Mr M was or wasn't abusive, only whether I'm satisfied Halifax have enough evidence to fairly treat him as having acted abusively.

Given that, I think it's more likely than not Halifax have treated Mr M fairly in closing his account because he became abusive. So, it wouldn't be appropriate for me to direct Halifax to do anything further to resolve Mr M's complaint since I don't find Halifax acted inappropriately in closing Mr M's account.

I appreciate Mr M doesn't believe he displayed abusive behaviour towards Halifax staff. And he denies making a racist comment. But people have varying degrees of tolerance when it comes to feeling threatened or abused. And it's not my role to dictate what Halifax should consider 'threatening or abusive' behaviour.

I also accept the closure of Mr M's account came as a shock to him and caused him inconvenience. However, Halifax has a responsibility to look after and support its staff, and I think its actions here – the decision to end its banking relationship with Mr M - is reasonable and in keeping with its policy to protect their staff. It's evident to me form looking at all the evidence that the relationship between Mr M and the branch staff had broken down irreparably over time.

Mr M has said Halifax actions are discriminatory and the bank closed his account because of his disability and ethnicity. Mr M has come to this conclusion because the Halifax staff member he interacted with in August 2024 at the branch kept asking him how he manages without a bank card, despite him previously telling the bank about his health conditions, and felt he was singled out from other customers in the queue.

While I can appreciate this is his 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 Mr M 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). I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Halifax would have treated another customer with similar circumstances any differently than Mr M. After looking at all the evidence, I've not seen anything to suggest Halifax treated Mr M unfairly when it decided to close his account.

Halifax's investigation of Mr M's complaint

Mr M says that staff who were involved in the branch incident took the decision to close his account, which he doesn't think is right. Halifax has a policy in place which details how it will decide if a customer has been threatening or abusive and what steps it will take if this happens. This sets out that the decision will be taken and reviewed by senior staff. I don't find that unreasonable. Especially given that closing a customer's account can lead to serious financial consequences and inconvenience.

I'd expect this policy to be applied consistently and fairly in all circumstances. Having looked at all the evidence, I'm satisfied that Halifax fairly and reasonably followed its policy when it sought to close Mr M's account. So, I can't say the bank did anything wrong when senior branch staff reviewed everything and communicated this to him.

I'd also add that we are not the regulator of firms – so we can't tell them how to run their businesses, or how to design or implement their processes. Halifax's decision to close a customer's account for being abusive is taken by senior members of staff - that's how it runs its business – and we can't interfere with its commercial decisions.

Mr W says it is no coincidence that Halifax couldn't provide our service with the call he had with them when he was accused of being a racist – in other words the bank is covering up what happened to justify closing his account.

This is a serious allegation. We've asked Halifax about its rationale for closing Mr M's account. And why it hasn't been able to provide the recording of the call Mr M had with the branch manager. Halifax has explained that it doesn't record conversations made from branch. It's unfortunate that a recording isn't available. But I accept Halifax's explanation.

I would expect Halifax to set out for our service the full details of all its interactions with Mr M when asked to do so. And the events which led to the closure of his account. I've not seen any evidence that would suggest it hasn't done so. And I don't think, as Mr M seems to fear, that there is anyone within Halifax who is deliberately misleading or withholding information from this service.

Did staff treat Mr M unfairly in branch?

Mr M has explained that he suffers from health conditions which make it difficult for him to remember numbers such as a PIN. So, he doesn't have a bank card and accesses his savings account using a passbook. I've seen evidence that Mr M has told Halifax about his conditions and how they impact him in February 2024. But I also accept that the staff member Mr Mi interacted with may not have been privy to this information. And based on what Mr M has said. I can understand why Mr M wouldn't have wanted to volunteer the information whilst waiting in a banking queue.

Mr M says that when he visited the branch a member of staff carried on questioning him and lecturing him about the benefits of having a bank card to access his account after Mr M told them he didn't want a card. Mr M says he felt belittled in front of other customers because they could all hear what the member of staff was saying.

Mr M has also said he felt the member of staff tried to insult his intelligence by saying that he wouldn't know what his balance was if he doesn't have a card. And then said, "*Maybe I should give you a badge to wear so I know that you don't want a card then!"* Mr M says he felt perplexed, offended and intimidated by this statement. Especially given his health conditions which Mr M finds difficult to talk about when carrying out banking.

Halifax has accepted its member of staff did make a comment along the lines of what Mr M has described. But, they say no offence was intended and the staff member was trying to make light of a difficult situation in branch that day. And they meant the comment to be taken as a joke.

I've looked at the branch statements taken from the staff involved and what Mr M has said about how the comment impacted him. Based on the evidence, I'm satisfied that a comment along the lines of what Mr M has described was made. I can also understand why Mr M feels the way he does about the comment, and I do think Halifax hasn't quite grasped how its actions have made Mr M feel. And it's only right that Halifax recognises this – regardless of the intention behind the comment that was made.

Based on all the evidence, and the circumstances of this complaint, I'm not satisfied Halifax treated Mr M fairly and reasonably when staff told him that he'd need a badge to identify him not wanting a bank card. It's understandable that this would cause Mr M offence. And could have been avoided if Halifax had explained its position in a more sensitive manner. So, I'm satisfied that Halifax's service fell short here.

I've considered how Halifax actions impacted Mr M. Halifax hasn't accepted that it has done anything wrong and that the £100 compensation recommended by the investigator is a lot considering the reasons it closed Mr M's account. Mr M says £100 isn't enough to make up for the trouble and upset Halifax's actions have caused him.

I have carefully considered all of Mr M's submissions about how Halifax's actions impacted him, including the effect of the stress Mr M says was caused by all this on his health. The investigator has recommended Halifax should pay Mr M £100. That seems more than fair to put things right here.

I know Mr M is seeking more compensation. But when a business makes a mistake, we often tell them to pay compensation, to acknowledge their error and the impact it had. In terms of the amounts, it's worth keeping in mind that we're an informal dispute resolution service. We're not the regulator, and we're not here to issue fines or to punish businesses. Further, I'm only awarding compensation for Halifax poor service in branch not for closing Mr M's account – as above, I've found the closure of Mr M's account to be fair. So, I won't be asking Halifax to do anything more to resolve Mr M's complaint.

My final decision

For the reasons I've explained, my final decision is that I partly uphold this complaint. To put things right Bank of Scotland plc trading as Halifax should pay Mr M £100 for upset this matter has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 September 2025.

Sharon Kerrison
Ombudsman