

The complaint

Mr P complain Bank of Scotland plc trading as Halifax treated him unfairly when it closed his accounts without clear notice and a proper explanation.

What happened

This decision covers the sole accounts held by Mr P. Mr P's joint accounts will be addressed under a separate decision.

On 10 November 2023 Mr P was issued with a notice to close letter. Halifax says this letter applied to all of Mr P's accounts. The balance on the accounts were issued to Mr P via cheque on 20 January 2024.

Mr P raised a formal complaint with Halifax on 22 January 2024. Mr P explained his unhappiness with the closure of his accounts and said this had not been communicated clearly to him – especially the exact accounts which would be affected. In order to put things right Mr P asked Halifax to compensate him for its failure to specify which accounts would be closed and a written explanation about the closures.

Halifax issued its final response letter on 24 January 2023. It explained that 65 days had been provided to Mr P and it had acted in line with the account terms and conditions. Halifax also explained it wasn't obliged to provide Mr P with specific reasons for its decision to close the accounts.

Unhappy with Halifax's review Mr P referred the complaint to this service. An Investigator reviewed Mr P's complaint and made the following findings:

- Halifax provided 65 days' notice for closure, which is permitted under the terms & conditions of the accounts.
- Halifax's letter dated 10 November 2023 referred to one unnamed account and didn't specify which accounts would be closed. But as it explained it would be ending its banking relationship with Mr P this was enough to show it meant all accounts.
- Halifax can't be held responsible for any postal issues Mr P experienced at the time.
- Halifax doesn't have to disclose its reasons for closing Mr P's accounts. It has disclosed the reasons to this service in confidence and it acted fairly in closing Mr P's accounts.

Mr P didn't accept the findings and explained the view failed to recognise the immense stress that Halifax had caused. Mr P also referred to his other complaint being upheld and doesn't understand the approach taken in this complaint.

As no agreement could be reached, the complaint was referred to 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'm aware that I've only summarised Mr P's complaint points. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I can assure Mr P that I have carefully considered his detailed submissions.

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 continuing to carry out due diligence checks on account holders, 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 Mr P's accounts. Having carefully considered this, I'm satisfied Halifax took these actions in line with the obligations it must adhere to. In addition, 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. In Mr P's case I can see they were provided with the full notice period of 65 days. This provided Mr P with an opportunity to make alternative banking arrangements.

I know Mr P feels Halifax has acted unfairly given the lack of information provided to him about the closure. Ultimately Mr P would like a detailed explanation as to why Halifax took these actions. But Halifax 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. Having carefully considered this information, I'm satisfied Halifax acted appropriately and in keeping with its regulatory duties.

Mr P says Halifax's decision to close the accounts caused significant distress and inconvenience. I do appreciate this matter would've caused Mr P some difficulty, especially as Mr P had held his accounts with Halifax for many years. I also understand the lack of information would've been particularly frustrating. However, given the nature of Halifax's review and closure I think it acted appropriately in the circumstances.

As part of Mr P's complaint, he says that the notice to close letter and final response letter weren't received. This meant the closure came as a surprise and he wasn't able to make alternative arrangements. I have reviewed the address used by Halifax for this correspondence and its internal notes and I am satisfied that they were issued to Mr P's correct address. I appreciate Mr P may have had postal issues at the time, but this isn't an issue I can fairly hold Halifax responsible for, especially as it had no awareness of Mr P not receiving post.

Mr P says the notice to close letter doesn't specify which accounts would be effective and its communication should've been clearer. I agree the letter could've been clearer, but as the Investigator highlighted it does explain Halifax decided to withdraw all banking facilities from Mr P. So I don't consider compensation for this issue to be necessary or appropriate given the circumstances of Mr P's overall complaint.

I know this will not be the outcome Mr P was hoping for, but I am satisfied Halifax acted reasonably in taking action to discharge its regulatory obligation. I know Mr P will be

disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Halifax to take any further action or compensate Mr P.

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 Mr P to accept or reject my decision before 9 April 2025.

Chandni Green
Ombudsman