

## **The complaint**

Mr M complains that Bank of Scotland plc – trading as Halifax (Halifax) treated him unfairly by closing his account without notice.

## **What happened**

Mr M opened an account (the Account) with Halifax in February 2016.

Halifax told us that:

- In September 2024, as part of their Know Your Customer Review (KYC), they began conducting a review into the Account. To that end, on 22 September 2024, they wrote to Mr M asking for various items of information to assist with their review. A duplicate email followed on 30 September 2024, asking for the same information.
- The bank told Mr M that he needed to provide the information it had requested by 7 October 2024. But Mr M did not reply.
- On 15 October 2024, they wrote to Mr M to say they were no longer able to continue their banking relationship and would close the Account in 65 days from the date of the letter. They told Mr M that in view of the intended closure, he needed to make alternative banking arrangements.
- On 27 December 2024, they closed the Account and informed Mr M accordingly.
- When they closed the Account, they acted in line with its terms and conditions as well as their procedures. This was on the basis that Mr M was given advance notice of the bank's intention so that he could make alternative banking arrangements. And in any case, the decision to end the customer relationship with Mr M was a commercial one that the bank was entitled to make.

Mr M told us that:

- Although he did receive the emails to which Halifax referred, he'd noticed that they'd come from Lloyds bank with whom he did not have an account.
- Furthermore, the emails asked for private information and invited him to click on a link. Suspecting he might be targeted by fraudsters and bearing in mind he'd been warned persistently never to click on such links to avoid becoming a victim, he ignored the emails.
- Halifax violated the terms and conditions of the Account because they failed to give him the required notice period before closing the Account. Although the Account was not his primary account, nonetheless, the timing of the closure – which was around Christmas 2024 meant he was inconvenienced. In particular, he was unable to use the Account to make payments towards his credit card.
- Halifax's actions were unfair. They should therefore reinstate the Account and pay him compensation.

Halifax didn't think they'd done anything wrong and as Mr M's complaint remained unresolved, he referred it to this service to look into.

Our investigator did so, and he too didn't think Halifax had done anything wrong. He said in summary that:

- Consistent with their legal and regulatory obligations, Halifax from time to time needed to gather up to date information on their customers and their business operations. So, it wasn't unreasonable for the bank to ask Mr M for the information they did in September 2024.
- Halifax's emails explained the information they needed and the deadline by which Mr M needed to provide it. When the deadline expired, the bank gave notice to Mr M by letter dated 15 October 2024 of their intention to close the Account.
- Although he appreciated the emails Mr M acknowledged receiving appeared to him as possibly fraudulent, nonetheless it is public knowledge that Halifax is part of the same banking group as Lloyds. So, if Mr M doubted whether the emails were genuine, reasonably he'd have expected him to contact the bank to clarify the position.
- He also appreciated Mr M's submission that he didn't receive the bank's 15 October 2024 closure letter. But he noted that the letter was correctly addressed to Mr M and in light of this was persuaded that Halifax acted in line with the terms and conditions of the Account. In particular, because they gave Mr M reasonable notice of their intention to close the Account and that he needed to make other banking arrangements.

Mr M didn't agree with the investigator's conclusions. He maintained his position that Halifax failed to give him notice of their intention to close the Account. By contrast, he said when the bank closed his credit card account, not only did the bank send him a letter to that effect, but he was also sent a text and a direct message via his mobile app. So, he questions why, in relation to the Account, Halifax chose to follow a different and therefore inconsistent process

### **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 start by saying I acknowledge how strongly Mr M feels about his complaint. But I fear I'm about to disappoint him yet further. Especially because having reviewed his case, I find not only that I agree with the investigator's conclusions but that there is very little that I can usefully add to what he has already said.

The investigator is right that since they are strictly regulated, banks in the UK are required to carry out certain actions in order to meet their legal and regulatory obligations. That involves conducting ongoing checks and monitoring of new as well as existing relationships. Halifax chose to do this by way of the KYC review and to that extent I do not think they did anything wrong when they decided to conduct this review on Mr M.

So, next, I thought about whether in the conduct of the review, Halifax did anything wrong. In this connection I've borne in mind Mr M's submission that he was unaware that the review was being conducted and therefore didn't respond to the bank's questions. And I've also thought about his submission that the bank closed the Account without notice which is at the heart of his complaint to this service.

Mr M has acknowledged that he received Halifax's emails dated 22 and 30 September 2024. It is therefore unfortunate that he did not open them. That would have alerted him that the bank needed information to help in their review and that he needed to respond.

I've seen the terms and conditions of the Account. Under the subheading: *Contacting each other*, they say that the bank can contact Mr M using the contact details it has for him. Being in possession of his email address, it wasn't unreasonable for the bank to email him with its request for information relevant to its review.

I note Mr M's understandable caution when he received the emails and so chose not to open them. And I don't criticize him for being vigilant about possible fraud. But I don't think I can fairly blame the bank for his decision to ignore its correspondence. Rather than ignore the correspondence, it wouldn't have been unreasonable for Mr M to contact Halifax to query whether he'd been sent legitimate correspondence which could be opened safely.

I next considered Mr M's submission that the Account was closed without appropriate notice.

Halifax have the right and so too their customers to determine whether they wish to continue with their banking relationship. That is a commercial decision the bank is entitled to take, and I agree with Halifax on that. Furthermore, as ombudsman I wouldn't interfere with that decision if it was taken fairly.

I note that Halifax's action is permitted in the terms and conditions of the Account. Under the subheading *Ending this agreement or an account or service* they say the following:

***"15. Ending this agreement or an account or service***

***15.1 This agreement will continue until you or we cancel or end it.***

And the terms and conditions also go on to say:

***"13.3. We may end this agreement [or any account or service under it]:***

***a) by writing to you and giving you two months' notice.."***

I'm satisfied the bank's letter dated 15 October 2024 constituted such notice. I'm also satisfied the letter was correctly addressed and on balance that it was sent to Mr M. So, I'm afraid I don't agree with Mr M that he wasn't given proper notice by the bank of its intention to close the Account.

I have no reason to doubt Mr M's evidence that he didn't receive the letter. But it doesn't follow that the bank didn't give him notice of its intention to close the Account and I'm satisfied it did.

Letters unfortunately do on occasions get lost in transit. It seems in all likelihood that is what occurred here. But here too I don't think I can fairly blame Halifax for that.

Finally, I have thought about Mr M's submission that Halifax's decision to notify him by letter about the closure of the Account is inconsistent with their previous method when they closed his credit card account. Whilst that may be true, as noted in the terms and conditions above, when it comes to giving notice to close the Account, the bank's obligation is to give two months' notice in writing. The terms and conditions don't prescribe the form that written notice must take. In other words, the bank is free to determine the particular type of correspondence it wished to use when giving that written notice.

In the circumstances of this case, I'm satisfied that after Mr M failed to respond to their request for KYC information, as they were entitled to do, Halifax gave Mr M written notice of their intention to close the Account and did so after the notice period expired. That being the case, I'm afraid I've not been persuaded that Halifax have treated Mr M unfairly.

### **My final decision**

For the reasons given above, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 November 2025.

Asher Gordon  
**Ombudsman**