

The complaint

Mr R complains that Bank of Scotland plc trading as Halifax (Halifax) unfairly closed his accounts without providing a proper explanation. Mr R says this caused him unnecessary stress and worry.

What happened

Mr R had a current account, savings account and credit account with Halifax, which he opened in June and July 2024

Mr R also has a mortgage account with Halifax.

In August 2024, HALIFAX decided to review Mr R accounts to comply with its legal and regulatory obligations. On 7 August 2024, Halifax wrote to Mr R to let him know that following a review it had decided to close all his bank accounts and credit card account. Halifax gave Mr R 65 days' notice to make alternative banking arrangements. And told him that his mortgage account would be unaffected.

Mr R complained to Halifax. He said he wanted to carry on banking with Halifax, and he was worried about his credit file being impacted by Halifax closing his accounts. He also said he didn't want to pay to move his mortgage and said he had relied on his credit card account to furnish his new home. So, Halifax's decision has had a severe financial impact on him.

In response, Halifax said that it had reviewed and closed Mr R's accounts to comply with its legal and regulatory obligations. And wasn't willing to provide Mr R with a further explanation. Halifax said it was happy to waive any fees associated with Mr R moving his mortgage to another provider if he decided he no longer wanted to have a mortgage account with them. But said it wasn't willing review its decision to close all his other accounts.

Mr R remained unhappy and asked us to investigate his complaint. He wants Halifax to provide a proper explanation about why it closed his accounts and reopen them. Mr R said Halifax's actions made him feel stressed and made his existing health condition worse.

After looking at all the information the investigator said that Halifax hadn't treated Mr R unfairly when it had closed his accounts. They were satisfied that Halifax had sent Mr R a closure notice. And had closed the accounts in line with the terms and conditions. So they said Halifax didn't have to do anything more to resolve Mr R's complaint.

Mr R disagreed. He wants to know why Halifax closed his accounts and feels very let down that Halifax haven't explained why it no longer wants him as a customer.

Mr R asked for an ombudsman to review things. So 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Halifax has treated Mr R fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No courtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr R's submissions.

I want to make it clear that I understand why what happened concerned Mr R. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that his accounts were going to be closed. But as the investigator has already explained, Halifax has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with these responsibilities Halifax will sometimes review accounts and go so far as closing them.

I've considered the basis for Halifax's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Halifax acted fairly by reviewing Mr R's accounts. I agree that the timing of Halifax's review and subsequent decision to close Mr R's accounts was unfortunate. Mr R had just taken out a mortgage and had furnished his new home using his credit card. But whilst I have sympathy for Mr R it's not in my remit to tell Halifax what type of account review they should be conducting or when they should conduct account reviews. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. And that's what I have done here.

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, account facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep customer or require it to compensate a customer who has had their account closed. As long as banks and financial businesses reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide account services without proper reason, for instance of unfair bias or unlawful discrimination.

Halifax have relied on the terms and conditions when closing Mr R's accounts. I've reviewed the terms, and they explain that Halifax can close an account for any reason by giving 60 days' notice. I've seen the letter Halifax sent to Mr R giving him 65 days' notice, so I'm satisfied Halifax has complied with this part.

I've next gone on to consider whether Halifax's reason for closing the accounts was fair. In doing so, I appreciate that Halifax are 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.

Halifax has provided some further details of its decision-making process, which led to the closure of Mr R's accounts. I'm sorry but I can't share this information with Mr R due to its commercial sensitivity. But I've seen nothing to suggest Halifax's decision around closing Mr R's accounts was unfair. On balance when considering Halifax's wider regulatory responsibilities and all the information available to me, I find Halifax had a legitimate basis for closing Mr R's accounts. So, I can't conclude Halifax treated Mr R unfairly when it closed his accounts. And I won't be directing Halifax to reopen them or pay Mr R any compensation.

I understand of course why Mr R wants to know the exact reasons behind Halifax's decision to close his accounts. 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. And it's under no obligation to tell Mr R the reasons behind the account closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr R this information. And it wouldn't be appropriate for me to require it to do so now.

Finally, Mr R has said that the closure of his accounts means he will have to pay to move his mortgage. So, he wants Halifax to compensate him for any expenses doing this might incur. Halifax haven't said it would be closing Mr R's mortgage account – in fact it told Mr R it would remain open. Halifax has also said that it would waive any fees associated with Mr R moving his mortgage if he chooses to do so. I appreciate that this will require some arranging, on Mr R's part, but I don't think Halifax have done anything wrong in closing Mr R's other accounts and moving the mortgage would be Mr R's choice, so I can't reasonably ask Halifax to do anything more.

In summary, I recognise how strongly Mr R feels about his complaint, so I realise he will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling Halifax to do anything more to resolve Mr R'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 R to accept or reject my decision before 23 December 2025.

Sharon Kerrison
Ombudsman