

The complaint

Mr B complains that Bank of Scotland plc trading as Halifax (Halifax) closed his Halifax Clarity credit card account.

What happened

I'm aware Mr B has another complaint that is linked to this with our service, but my decision will solely focus on the issues relating to Mr B's Halifax Clarity credit card.

In January 2025, Mr B's credit card stopped working because Halifax had decided to close his account. Mr B says that whilst he was aware other accounts of his were to be closed with another bank owned by the same parent organisation as Halifax, which I'll refer to as 'BOS', he wasn't aware that his Halifax credit card was going to be closed. Mr B says he was caused embarrassment when his credit card stopped working and he had to use a more expensive payment method while he was abroad.

Mr B says when his accounts were closed by BOS, he went into branch to discuss this and was advised his Halifax credit card should remain open. Mr B maintained he was also told this during a phone call with an advisor from BOS, in December 2024 when he made a complaint about the closure of his accounts.

A response was provided to Mr B's complaint in which an apology was given for what Mr B was told in branch regarding his credit card not being closed. But the decision to close the account remained unchanged and a reason for the closure wasn't provided to Mr B.

Mr B referred his complaint to our service. One of our Investigators looked into things and decided not to uphold it. In summary, they said:

- Halifax closed Mr B's credit card in line with the account terms and didn't have to provide Mr B with a reason for deciding to close it
- Having considered the reasons behind Halifax's decision, the closure of the credit card was fair
- Mr B was given the benefit of the doubt that he was mis-advised in branch regarding the credit card closure. But there wasn't any strong evidence to suggest Mr B was told his credit card would remain open
- The advisor Mr B spoke to over the phone in December 2024 wasn't sure if Mr B's credit card was going to be closed and Mr B didn't query this further at the time

Mr B disagreed with what the Investigator said and in short, he said:

- He was told over the phone and in branch that his Halifax credit card should remain open, despite the closure of his other accounts with BOS. So, he hadn't felt the need to check if this was the case with Halifax, a third time

- The situation had caused him stress and there had been a lack of communication from Halifax overall
- Mr B felt it was unfair that he wouldn't be able to hold accounts in the future with Halifax or any other banks within the banking group it's a part of

Unhappy with the outcome, Mr B asked for his complaint to be decided by an ombudsman.

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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

A bank is entitled to close an account just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account that Mr B and Halifax had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Halifax, I'm satisfied it was entitled to close the account in the way it did. Halifax have shared information about why it decided to close Mr B's account. But Halifax isn't obliged to share this information with Mr B.

I'd also add that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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.

Mr B says he used his credit card for international payments. But this is a credit card, and borrowing money isn't something Mr B is entitled to and debts are generally repayable on demand. I appreciate Mr B is concerned because he's been informed that he won't be able to open accounts with Halifax nor other banks in its banking group in the future. But Halifax has exercised legitimate commercial discretion here by not offering Mr B access to its services. This isn't something our service generally interferes with, nor can I say Halifax has acted unfairly here given the individual circumstances of this complaint.

Mr B has mentioned that a member of staff from BOS told him in branch, that his Halifax credit card wouldn't be closed. I appreciate Mr B's strength of feeling around this, but I haven't seen any compelling evidence to show this is what happened.

During the call that took place in December 2024 between Mr B and an advisor from BOS regarding the closure of Mr B's accounts, the advisor commented they weren't sure if Mr B's Halifax credit card would be closed, even though Mr B's other accounts with BOS were to be closed.

The advisor didn't provide a definitive answer to the question regarding the closure of Mr B's Halifax credit card, because they didn't know for sure, what the answer was. So, I'm not persuaded the information provided to Mr B during the call indicated that Mr B's Halifax credit card was to remain open.

I accept it's possible Mr B was told his credit card wouldn't be closing in the way he has described, but even if that was the case, I don't think it's appropriate to award any compensation for the inconvenience or distress this may have caused him.

I've looked at the template of the closure notice that Mr B would've been sent to inform him that his accounts were going to be closed. It isn't clear whether the letter would've informed Mr B his Halifax credit card would be closed too. And this is something I think Halifax could've communicated in a clearer way to Mr B, when it wrote to him. But I don't find awarding Mr B compensation for this would be fair or appropriate.

I understand Mr B would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Having considered everything, I don't think Halifax did anything wrong in closing Mr B's account - so I won't be directing Halifax to do anything to put things right.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 July 2025.

Khadijah Nakhuda
Ombudsman