

The complaint

Ms F complains Bank of Scotland plc trading as Halifax unfairly closed her accounts and provided poor service.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Ms F had multiple accounts with Halifax – this included a current account, two savings accounts and a Help to Buy ISA. Halifax conducted a review of Ms F's accounts and made the decision to end its banking relationship with Ms F.

Halifax says it informed Ms F of its decision on 16 August 2024, and it provided her with 65 days' notice of the accounts closing so she could make alternative arrangements. Ms F's accounts closed on 22 October 2024.

Ms F says she didn't receive this notification, and the closure of the accounts came as a shock. Ms F raised a formal complaint about this, and explained the closure had a negative impact on her as she was on holiday at the time of the closure, and she feared she had been the victim of a scam. Ms F also said she lost the benefits of the ISA she held with Halifax, and the same product was no longer available.

In its final response letter dated 21 January 2025, Halifax explained its decision to close the accounts was made in line with the relevant account terms and that it had written to Ms F at the address it had recorded for her.

Ms F remained unhappy and maintained Halifax had acted unfairly and referred the complaint to our service. An Investigator gathered the relevant information and in summary, made the following recommendations:

- Halifax isn't under an obligation to continue offering Ms F accounts.
- The terms and conditions of the accounts allow Halifax to close the accounts.
- Halifax has legal and regulatory duties it must adhere to, and these allow it to review and close accounts.
- Halifax doesn't need to provide Ms F with specific reasons for its decision.
- The account notes show the notice to close letter was sent to the correct address it held for Ms F. The notes also show other correspondence such as the cheques for the balances were sent to the same address and these were received by Ms F.

Ms F disagreed with the findings, and reiterated her concerns about the lack of communication about the closure and the impact it had on her. As no agreement could be reached, the case has been referred to me – 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.

I appreciate Ms F was disappointed by the Investigator's opinion. I'd like to reassure Ms F that I've considered the whole file and what's she's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too 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 that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Ms F, but I'd like to reassure her that I have considered everything that she's told us.

Halifax is strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. In Ms F's case the review of the accounts by Halifax led to its ultimate decision to close Ms F's account. Based on the evidence I've seen, I am satisfied Halifax acted fairly in reviewing, and then closing Ms F's accounts.

The terms and conditions of Ms F's accounts set out that the bank can close the accounts by providing 65 days' notice. Halifax says it provided Ms F with the full notice period as it wrote to her in August 2024 to explain it would be closing her accounts around 20 October 2024. A key issue is Ms F says she never received this letter. I have no reason not to accept what Ms F is saying – after all, letters do sometimes go missing. But I have to balance what Ms F has said against the evidence Halifax has provided – which includes internal notes and screenshots to show the letter was sent to the correct address for Ms F. Halifax has also provided a copy of the letter it sent, and it is correctly addressed. And I haven't seen that Halifax was given any information that Ms F was having issues receiving her letters or that she wanted letters sent through a different communication channel.

I am also mindful of the fact that Ms F has received some correspondence – including the closing balance cheques. So, whilst I have sympathy for Ms F, and the fact the closure was unexpected, I don't consider her not receiving the letter to be an issue Halifax can be fairly held responsible for.

Ms F feels the closure is unfair and Halifax hasn't shared any information with her regarding its reasons for ending its banking relationship with her. As noted above, this service has received information in confidence, which I am unable to share with Ms F. I must also highlight that Halifax is 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. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they 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.

Based on the evidence I've seen I am satisfied Halifax has closed Ms F's accounts for fair and proper reasons. I understand Ms F wants Halifax to explain the reasons, but Halifax is under no obligation to tell Ms F the reasons it no longer wants her as a customer as much as she'd like to know. So, I can't say it's done anything wrong by not giving Ms F this information. And it wouldn't be appropriate for me to require it do so.

Ms F says this matter has caused her significant distress and inconvenience – she was away at the time the accounts closed and making alternative arrangements for the funds has taken time and caused inconvenience. I do appreciate this matter would've caused her some difficulty, especially considering the Help to Buy ISA is no longer available. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Halifax. The evidence I have seen shows Halifax acted in line with both its legal and regulatory duties, as well as the account terms. Halifax took appropriate steps to inform Ms F of its decision and the timeframes involved, and I can't see any evidence of wrongdoing on its part.

So I'm not going to ask Halifax to compensate Ms F for any distress and inconvenience this may have caused. I know this will not be the outcome Ms F was hoping for, and she will be disappointed with the decision I've reached. However, I hope it provides some clarity around why I won't be asking Halifax to take any further action or compensate Ms F.

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 Ms F to accept or reject my decision before 20 November 2025.

Chandni Green
Ombudsman