

The complaint

Mr A complains that Bank of Scotland plc trading as Halifax blocked his personal account and then closed it down.

What happened

In January 2024, Halifax received a report that funds had been paid into Mr A's account due to an alleged car scam. It notified Mr A of this and said the account could remain open, but if there were any further reports of fraud, it could be closed.

In April 2024 Halifax was contacted by someone who said they had paid money to Mr A for a car and hadn't received the car.

Halifax blocked the account so that it could investigate the possible fraud. Mr A explained that as part of his business buying and selling cars, he had sold a car to a customer. That customer subsequently alleged that the car had been damaged by Mr A and/or that they hadn't received the car, which he denied. Mr A offered to return the money if the customer withdrew their allegation.

Halifax asked Mr A for proof of the sale of the car. He provided evidence of text messages between him and the customer and also a handwritten note of sale. Ultimately Halifax wasn't satisfied with the evidence Mr A had produced and it decided to close the account. It gave Mr A two months' notice, although maintained the block until the account was closed in June 2024.

Mr A complained that Halifax had acted unfairly and said he produced sufficient evidence to justify his position regarding the sale of the car. He also said that it had caused him a lot of financial problems as he had had a lot of difficulty in maintaining other bank accounts.

On referral to the Financial Ombudsman Service, our Investigator was satisfied Halifax's decision to close Mr A's personal account was reached legitimately and they didn't think it had acted unfairly.

Mr A didn't agree and the matter has been passed to me for an Ombudsman's consideration

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 should advise Mr A that I am concerned here only with his complaint about his personal account with Halifax. I can't consider what happened with any other account either with Halifax or with any other financial institution.

Further, Mr A is concerned that we have accepted information from Halifax in confidence. Our rules allow us to do this where appropriate. I can say however that our Investigator has fully set out the reasons for Halifax closing the account.

I should emphasise that I can't make a finding concerning whether or not there was fraud in respect of the car sale. Mr A's complaint is that Halifax closed his account, he says unfairly, in the circumstances of his case.

First of all, Halifax doesn't have to provide any reason for closing an account as long as it gives two months' notice. It can't close an account for an unfair or discriminatory reason. And in this case the block was put on the account at the beginning of the two-month notice period. Effectively the closure was immediate and I have to decide whether that was fair.

Halifax made the decision to close Mr A's account following its investigation of the alleged fraud reported to it in respect of his sale of a car. I understand Mr A's points in this respect and there are some unsatisfactory points about the customer's behaviour. However, as someone who trades in cars, I would expect Mr A to be able to produce evidence of the sale. His evidence consists of a series of texts between him and the customer some of which are inconsistent, thought they don't prove the car was delivered. And a handwritten receipt for the car with two signatures, Mr A's and the customer's. Unfortunately, there is no independent evidence of the customer's signature, so it isn't satisfactory evidence of the car being sold and received.

When selling a car, particularly a trade sale, certain documents have to be provided to the DVLA. Mr A has unfortunately been unable to supply any evidence of the change of ownership of the car. And whilst he said the customer took delivery of the car, he offered a full refund without arranging to collect the car. Though to some extent I understand that he was anxious for the customer to withdraw their allegation.

So, taking into account the evidence supplied to Halifax, I think it was justified in blocking the account and then closing it. It had already warned that it would close the account if any further reports of fraud were made. So, I think it acted fairly. I understand it hasn't reported Mr A for fraud on any external database. I further understand that when the account was closed, he received the funds in it.

Lastly Mr A complains about discrimination. I've seen no evidence that Mr A's account was closed for anything other than a legitimate reason.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 August 2025.

Ray Lawley
Ombudsman