

The complaint

Mr F complains that Bank of Scotland plc trading as Halifax ('Halifax') returned funds he received to the sender and closed his account.

What happened

On 26 October 2024 Halifax contacted Mr F and said that it believed his account had been used to receive fraudulent funds. Halifax told Mr F it had blocked his account while it completed a review. Halifax then wrote to Mr F to explain that his accounts would be closed. Mr F's accounts were closed on 3 January 2025.

Mr F complained to Halifax. He didn't believe the account closure was warranted and was unhappy that no explanation had been given. Mr F said that if Halifax had communicated with him, he could have provided important information to prove the legitimacy of the transactions.

Mr F later explained to Halifax that on 28 May 2024 he transferred £5,000 to someone he'll call N in this decision. N's girlfriend was Mr F's niece and asked Mr F if he would lend money to N for his university fees. Mr F says that without his knowledge, N sold cryptocurrency on a peer to peer platform and gave Mr F's bank details for the payment of £2,600.

Halifax said that it hadn't made any errors. The decision to close Mr F's accounts was made in accordance with its terms and conditions, which allows it to close the accounts without giving a reason or explanation.

Mr F was unhappy with Halifax's response and brought a complaint to this service. At that stage he said he was more concerned about the fact Halifax removed £2,977.50 from his account on 29 October 2024.

An investigator looked into Mr F's complaint but didn't uphold it. She said that Halifax acted reasonably in returning the funds to the sender as Mr F hadn't evidenced his entitlement to them. And Mr F's accounts were closed in line with the terms and conditions of the account.

Mr F was unhappy with the investigator's findings, so his complaint has been passed to me.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Halifax has extensive legal and regulatory responsibilities it 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. Halifax has a

duty to reasonably ensure accounts are being used in the way they should and to protect the money which is held in them.

Like the investigator, I'm not persuaded Mr F has demonstrated his entitlement to the funds that were removed from his account, so I think Halifax has acted reasonably.

Mr F says that N owed him £5,000 and has provided what he says is evidence of the transfer to N. But the screenshot is undated and doesn't say that funds have been sent. Instead, the screenshot says "You're sending" £5,000 and gives an exchange rate that is guaranteed for 33 seconds. So I can't be satisfied it's more likely than not the funds were loaned to N.

In any event, the evidence I have seen doesn't demonstrate to me that Mr F is entitled to the funds that were removed from his account. Before the investigator issued her view, Mr F had provided some evidence in respect of a credit of £2,600 on 22 October 2024. But I can see that on the same day £3,000 left Mr F's account. The following day he received a credit of £3,000 from another individual, and it is these funds that Halifax returned.

After the view was issued, Mr F sent the investigator peer to peer order receipts from the cryptocurrency platform in N's name, for £2,600 and £3,000. These receipts do not show Mr F's entitlement to the funds.

Overall, I'm not satisfied that Mr F has proved he was entitled to the funds.

I'm also satisfied that Halifax acted fairly and in accordance with the terms and conditions of Mr F's accounts in closing it with appropriate notice. The terms and conditions outline that Halifax can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. Halifax was entitled to end its relationship with Mr F.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 December 2025.

Jay Hadfield
Ombudsman