

## **The complaint**

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

## **What happened**

Mr C had an account with Halifax, which he opened in 2016.

In October 2024, Halifax decided to review Mr C's account to comply with its legal and regulatory obligations. On 11 October 2024, Halifax wrote to Mr C to let him know that following a review it had decided to close his bank account.

Halifax gave Mr C 65 days' notice to make alternative banking arrangements. During the notice period the account was blocked. But Halifax told Mr C that he would be able to access his salary or benefit payments by attending branch with some identification.

Mr C complained to Halifax. He said he wanted to carry on banking with Halifax and said that Halifax's decision has had a severe financial impact on him.

In response, Halifax said that it had reviewed and closed Mr C's account to comply with its legal and regulatory obligations. And wasn't willing to provide Mr C with a further explanation. And said it wasn't willing review its decision to close his other account.

Mr C remained unhappy and asked us to investigate his complaint. He wants Halifax to provide a proper explanation about why it closed his account and reopen them. Mr C said Halifax's actions made him feel stressed and anxious. So, he wants Halifax to pay him compensation.

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

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

Mr C 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 C 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 discourtesy 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 C's submissions.

I want to make it clear that I understand why what happened concerned Mr C. 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 account had been blocked and was going to be closed. But 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. The terms and conditions of the account also make provision for this. So, I'm satisfied Halifax acted fairly by reviewing Mr C's account.

Following its review Halifax decided it no longer wanted to offer Mr C account facilities. 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 C's account. I've reviewed the terms, and they explain that Halifax can close an account for any reason by giving 60 days' notice. And in some cases, it can close an account immediately. Halifax blocked Mr C's account, so I consider Halifax closed Mr C's account without notice, since he wasn't able to use his account fully.

For Halifax to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, including the information Halifax has provided to this service in confidence, I'm satisfied that Halifax did. And that it was entitled to close the account as it's already done. So, I can't conclude that Halifax treated Mr C unfairly when it closed his account. So, I'm not requiring Halifax to compensate Mr C for any trouble and upset he may have experienced because Halifax blocked his account, and the further dissatisfaction he experienced which

ultimately flowed his account being closed, including his unhappiness with Halifax's communication and the information it didn't provide him.

I understand of course why Mr C wants to know the exact reasons behind Halifax's decision to close his account. 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 C 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 C this information. And it wouldn't be appropriate for me to require it to do so now.

In summary, I recognise how strongly Mr C 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 his 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 C to accept or reject my decision before 6 January 2026.

Sharon Kerrison  
**Ombudsman**