

The complaint

Miss M has complained that Bank of Scotland plc trading as Halifax unfairly removed her overdraft facility.

What happened

Miss M has a Halifax account, which for a long time had a £1,000 overdraft facility. But on 1 November 2024, it contacted her to say that no payments had been made into the overdrawn account for some time, and that if no payment was made to reduce the balance in any way within 27 days, the overdraft would be removed. This was followed by a reminder letter on 14 November 2024.

It wrote again on 27 November 2024, saying if no payment or contact was made within seven days, the overdraft facility would be removed. This is what then happened on 7 December 2024.

One of our investigators looked into what had happened. He explained that Halifax has a regulatory responsibility to ensure any lending is provided responsibly. This includes overdrafts being affordable, and able to be repaid within a reasonable amount of time. And here, it had acted in line with the terms and conditions of the account, providing relevant notice and remedial actions to avoid the removal of the overdraft.

Our investigator noted that the letters were present in Miss M's secure digital inbox, from the dates of each of them. And the screenshot she'd provided also shows she was informed of important messages on her account. So, he was satisfied were created and sent/uploaded when they were dated. He also noted that Miss M had provided copies of emails from Halifax, which Miss M had said she'd seen. These contained copies of the letters. And, there was no requirement the letters needed to be sent by hard copy in the post.

Our investigator could also see that Miss M had been promised a letter from Halifax about it reviewing its decision, but she was never sent this. Halifax agreed it made an error in not sending the letter, and has offered Miss M £100 compensation to reflect this. Our investigator thought this was fair. Halifax also explained that the appeal would not have been successful, following the income and expenditure assessment carried out when she'd raised her concerns.

Miss M disagreed, so her complaint's 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.

Having done so, I'm satisfied that Halifax acted reasonably in removing the overdraft facility. It's clear from the documentation I've seen that Halifax contacted Miss M multiple times to explain her overdraft would be removed, and why, and what she could do to prevent this happening. And I think its method of contact was reasonable, and Miss M received the

correspondence. I say this because she says she was upset by it, and thought it was unclear. I'm satisfied she could reasonably have contacted Halifax to discuss things and ask for clarity, and potentially make payment, but didn't do so. Halifax is also entitled to remove the facility under the terms and conditions of the account.

I do agree though, that Halifax should have contacted Miss M regarding her appeal, as it had agreed. It recognised this error, and subsequently offered Miss M £100 compensation. I think this is fair and is in line with what I'd have awarded.

I can also see that Halifax has explained an appeal would have been unsuccessful, based on Miss M's income and expenditure. Although this is disappointing for her, I hope it offers her some reassurance that Halifax did consider her circumstances.

Putting things right

To put things right, Halifax should pay Miss M the £100 it offered after the complaint came to our service, should Miss M decide to accept it.

My final decision

It's my final decision that Bank of Scotland plc trading as Halifax must take the action set out above, in the section entitled 'Putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 23 February 2026.

Elspeth Wood
Ombudsman