

The complaint

Mr K complains that Bank of Scotland plc (trading as Halifax) closed his basic bank account, shortly after it was opened and relied on information recorded about him on a fraud database, to do so.

What happened

In January 2023, Mr K entered into a trust deed. In May 2023, Mr K applied for an account with Halifax and a basic bank account was opened for him. Halifax subsequently took the decision to close the account and it was closed at the end of May 2023.

Mr K contacted Halifax in March 2025 to make a complaint. He explained that he had made several account applications to banks within the Lloyds Banking Group (LBG) previously and to other account providers, but he'd been denied a basic bank account on several occasions.

Mr K added that he'd submitted a subject access request to Synectic Solutions which showed there were several SIRA 'Refer' markers loaded to the National Fraud SIRA database, relating to applications Mr K had made for accounts with LBG in 2021. Mr K requested that the information recorded about him be removed from the database, as he considered this was the sole reason for his account applications with other providers being declined.

Halifax issued its final response to the complaint in March 2025 and in summary it said:

- Mr K hadn't passed the secondary checks Halifax carried out after it received his basic bank account application, including checks that were carried out with credit reference and fraud prevention agencies
- Halifax also reviewed any existing or historic accounts that may have been held with it, to look at how those accounts had been used
- Mr K's account applications with other banks shouldn't have been affected by the information LBG held about Mr K and he should address any issues relating to this, with the banks he'd applied to
- Mr K wouldn't be offered banking facilities with LBG and the information that Mr K had requested to be removed about him, wouldn't be removed or altered

Mr K referred his complaint to our service. He explained that he had previously held accounts with LBG in 2019 but his accounts had been closed, when another fraud marker had been loaded against him by a financial institution. The marker was removed in 2021 and Mr K said no adverse information was held about him with any fraud prevention agencies, aside from Synectic Solutions.

Mr K added that a bank he'd applied for an account with had informed him in February 2025, that it couldn't offer him an account based on information reported to Synectic Solutions about Mr K. Mr K considered this contradicted what Halifax had said in its final response

letter where it mentioned that external account applications shouldn't be affected by the SIRA markers that were recorded.

One of our Investigators looked into things and didn't uphold the complaint. In summary, they said:

- In general, banks can decide who they wish to take on as customers. And there are certain circumstances under the Payment Account Regulations 2015 (PAR's) where a basic account shouldn't be opened. Halifax hadn't made an error in the action it had taken
- Mr K wanted the adverse SIRA markers to be removed as it was obstructing Mr K from opening an account elsewhere. It wasn't for the Investigator to comment on another financial institution's decision not to open an account for Mr K
- Halifax had an obligation to maintain accurate records of its customers, including what's reported to credit reference agencies and other external bodies

Mr K disagreed. He explained that in 2021 when the SIRA markers were loaded against him, he thought the reasons set out in the PAR's regarding when an application for a basic account could be refused may have been relevant, given Mr K also had another fraud marker loaded against him at the time. But since then, Mr K felt he had provided substantive evidence to show he didn't have any remaining fraud markers loaded against him, apart from the SIRA markers and he didn't think Halifax had closed the basic account in line with the account terms and conditions.

Mr K added that he'd made account applications to LBG after 2021, and they were marked as 'Clear' on his Synectic Solutions report.

Mr K explained the situation had left him in a difficult financial position and he wasn't able to open a basic bank account until recently. Mr K wanted to be compensated for the stress, worry and anxiety that had been caused by the situation.

Our Investigator reviewed the points Mr K raised and looked into things again. They explained that having taken the account terms and conditions and PAR's into account, Halifax hadn't breached the account terms in closing the account the way it did. They added that Mr K would need to raise a new complaint regarding the conflicting information he felt Halifax had shared in its final response, as this wasn't something Mr K had complained to Halifax about yet.

As no agreement could be reached, Mr K asked for his complaint to be decided by an ombudsman.

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've read and considered all of Mr K's submissions regarding his complaint, but I'll concentrate on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

SIRA marker

Synectic Solutions is a fraud prevention agency which aims to help prevent fraud. It runs the National SIRA database where a SIRA member can record specific types of markers on the database, depending on the concerns they hold.

Mr K had four SIRA inconsistency markers loaded against him, three on 9 April 2021 and one on 15 April 2021. These were in relation to four account applications Mr K made for bank accounts.

Halifax have explained that Mr K provided inconsistent information on the applications he made in 2021, more specifically, regarding the length of time at his address and his income.

Since I've been passed this complaint to decide, Mr K has been asked for his comments regarding why he submitted three account applications on 9 April 2021, where he stated the time at his address was 1 year and 6 months, 1 year and 7 months and 29 years and 2 months and 0 years and 1 month for the application on 15 April 2021. In addition, Mr K was asked about the salary he declared on four account applications between March and May 2021, where Halifax said the salary Mr K declared ranged from £21,600 to £26,400.

Mr K responded to say he had made account applications in 2021, after the fraud marker he had loaded against him from 2019 was removed. Mr K said he wasn't sure why he would have provided differing information regarding his time at address across the applications he made in April 2021 and confirmed that 29 years and 2 months was the correct amount of time he had been at the address on the application.

Mr K explained his salary varied around the time he made the applications in 2021, so he had provided an estimated salary and provided supporting evidence to show what his annual salary was in 2020 and 2021.

I've considered whether there was a sufficient level of information required for the SIRA markers to have been loaded against Mr K – and I find there was. I say this because Mr K provided inconsistent information on his applications in 2021, over a very short amount of time.

The information Mr K provided regarding the time at his address was significantly different across the applications, so I think this presented enough of a concern to warrant the markers being loaded. In addition, Mr K made several account applications, with differing information within the space of a month.

I would add too that it isn't a requirement to establish if Mr K was guilty of fraud or financial crime beyond a reasonable doubt to record the marker. Instead, there needed to have been a genuine concern about the information Mr K gave in his application, backed up by sufficient information and evidence to record the marker – which I think there was here.

I appreciate Mr K has said he's experienced difficulties in opening accounts with other providers due to the markers that have been recorded against him. But as I find the markers have been loaded fairly, I don't agree they should be removed, nor do I think Mr K should be compensated for any upset and worry caused by the situation.

I acknowledge Mr K is concerned about some of the information Halifax mentioned in its final response. If Mr K wishes to complain about this, he'll first need to get in touch with Halifax so it has a chance to provide its response, before our service can investigate the issue.

Account closure

A bank is entitled to close an account just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account that Mr K and Halifax had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

I've considered that the account Mr K had with Halifax was a basic bank account. A basic bank account is a type of account intended for individuals who don't have and don't qualify for standard current accounts. To be eligible for a basic bank account an individual shouldn't already hold an account in the UK with the features of a basic bank account.

I appreciate the decision to close Mr K's account has caused him concern. But having carefully considered that Mr K had several SIRA markers loaded against him in 2021, due to inconsistent information he'd provided on applications, I think Halifax acted fairly and in line with the account terms and conditions in closing Mr K's account. I'm also satisfied its decision to close the account meets the definition of the criteria set out under the PAR's, which allow for immediate closure.

In summary, having considered everything, while I appreciate Mr K's strength of feeling and why he feels he's been treated unfairly, I'm not persuaded Halifax acted unreasonably or unfairly in the circumstances. So, I won't be asking Halifax to do anything to put things right.

My final decision

For the reasons above, I have decided to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 February 2026.

Khadijah Nakhuda
Ombudsman