

The complaint

Mr P complains about information recorded on his credit file by Bank of Scotland plc trading as Halifax.

What happened

I issued a provisional decision on 10 February 2026 that set out the background to this complaint:

“Mr P held a credit card account with Halifax. In July 2020, he informed Halifax he had been diagnosed with a serious illness and experienced suicidal thoughts. He asked for Halifax to freeze interest on his account as he was unable to work. The last contractual minimum repayment was made in November 2020.

Halifax spoke to Mr P again in January 2021 and asked him to complete an income and expenditure form. However, Halifax didn't receive this and didn't agree a repayment plan. It sent Mr P further letters throughout 2021. Halifax issued a default notice in November 2021 and went on to default his account in December 2021.

In May 2025, Mr P complained about the default to Halifax. It paid him £30 for the frustration caused by being passed about on the phone. However, Halifax didn't uphold his complaint about recording his account as in default. It said it sent a default notice in November 2021. As the default was recorded correctly, it wouldn't remove it.

Unhappy with Halifax's response, Mr P referred his complaint to our service. One of our investigators reviewed the complaint but didn't recommend it be upheld. They said Halifax couldn't keep the account open indefinitely and it was entitled to record the default on his account. The investigator thought the £30 Halifax paid for the issues Mr P had on the phone was reasonable.

In response, Mr P said he had sent an income and expenditure to Halifax. Halifax said this had been sent to another business within the Lloyds Banking group and it hadn't received it. Our investigator still didn't think Halifax had made an error, so this complaint was referred to me for a decision.”

I then set out my provisional findings:

“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 think Halifax should have defaulted Mr P's account sooner. The Information Commissioner's Office provides guidance that sets out that a business should record an account as in default after three to six months of missed repayments. Whilst I appreciate Mr P was sharing information about his health with Halifax, it was still obliged to follow this guidance.

Mr P last made a contractual minimum repayment on 12 November [2020]. Mr P told Halifax

he couldn't pay anything in January 2021. Even if Halifax had received Mr P's income and expenditure form in early 2021, this wouldn't have shown he was able to repay the account's arrears and maintain his contractual monthly repayments. So, I think Halifax should have issued a default notice sooner and defaulted his account no later than 12 May 2021. In delaying applying the default until December 2021, the default would have remained on Mr P's credit file for longer.

So, whilst I think Halifax was right to default the account, even though Mr P was regularly in touch, I think it should have taken this action sooner.

Putting things right

Halifax should amend the date of default to 12 May 2021.

I note Halifax has already paid Mr P £30 compensation for the inconvenience of being passed around on the telephone. I've not recommended it pay further compensation. I think it was right to default the account, and it's unlikely Mr P would have been satisfied even if Halifax had defaulted his account sooner than he did. Halifax had also suspended interest and charges from January 2021, so I think it was treating Mr P fairly. Overall, I don't think the delayed default has caused Mr P distress and inconvenience that warrants further compensation."

Halifax accepted my provisional decision but Mr P did not. He said Halifax had gone back on its agreements with him, the financial industry is unfair and big corporates "own" our service.

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.

Mr P has explained his concerns about the financial industry and that big corporates "own" the financial ombudsman service. Our service is independent and impartial, and the way we're governed and funded reflects our independent role. We're not the regulator, so it isn't my role to address Mr P's concerns about how banks or the wider financial industry operates.

I've not been presented with any new evidence or arguments that have persuaded me that Halifax should not have defaulted his account or that my suggested default date of 12 May 2021 is unreasonable. So, I see no reason to depart from my provisional decision.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax should amend the date of default on Mr P's credit file to 12 May 2021.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 23 March 2026.

Victoria Blackwood
Ombudsman