

The complaint

Mr K complains that Bank of Scotland plc trading as Halifax (“Halifax”) wrote to him threatening to block his account as it considered it a ‘Dormant Account’ due to inactivity despite there being numerous transactions on the account in the past year. Mr K believes Halifax made a mistake in considering his account dormant because he doesn’t have a debit card linked to the account and living abroad, he doesn’t want one. Mr K says the situation has caused him significant distress and worry as he needs for the account to be active.

What happened

Mr K has held a current account with Halifax since 1994. Mr K has lived abroad since 1997 and says it is due to this reason he doesn’t hold a debit card for the account.

Halifax dormancy process involves flagging accounts for potential dormancy if there’s no customer-initiated activity on the account within three years.

Mr K’s statements show there has been minimal activity on the account with a faster payment out of the account being made in December 2021 and then no further activity until February 2025 when a credit was received by a third party and the only customer-initiated transactions being made by Mr K on 17 April and 1 May 2025.

On 27 June 2025 Halifax’s system generated a dormancy letter online to Mr K as part of its dormancy programme. A letter in the post arrived a few weeks later. The letter explained what Mr K needed to do if he’d like to keep the account open and active and gave Mr K a 60-day deadline to respond or else restrictions would be placed on the account.

In response to this on 10 July Mr K contacted Halifax through its on-line chat function stating that the letter he’d received was factually incorrect as there had been activity on his account in the last three years.

Mr K was advised he needed help from a human colleague and advised he’ll be connected to someone soon. Following this Mr K was told that he hadn’t used his card for quite some time and advised to use his card before September. Mr K advised he didn’t have a card and so Halifax agent offered to order him one. Mr K expressed his dissatisfaction at this and he was asked to contact Halifax’s customer service team for further assistance.

Mr K complained about this to Halifax saying the letter wasn’t correct as he’d made five transactions during the current year and that the letter threatened him with account closure due to alleged dormancy and that the online chat was closed without resolution.

Mr K was dissatisfied as Halifax had failed to respond to his complaint within the eight-week timeframe and so brought his complaint to this service. He says the letter caused him distress and is unhappy that Halifax didn’t investigate the issue or respond.

Halifax didn’t agree it had made an error in issuing the dormancy notification as the account hadn’t shown customer-initiated activity for over three years based on the data that was prepared in advance of Mr K transacting on the account in April/May 2025. But Halifax

admitted the service provided was poor and by way of apology awarded Mr K £50 compensation.

Halifax has confirmed that the dormancy marker was removed from Mr K's account and his account remains active.

Halifax have explained that account activity is reviewed annually and data is collated in advance of its dormancy letters being generated and the last customer-initiated activity on Mr K's account when the data was collated was in December 2021 and this is why Mr K received a letter despite there being activity on his account three months earlier.

One of our investigators looked into Mr K's concerns and reached the conclusion that Halifax hadn't treated Mr K unfairly as it had followed the correct process in the circumstances and didn't think it had done this unreasonably when its systems triggered a review and didn't agree the letter was threatening.

They agreed that the service received by Halifax could've been better but thought the compensation Mr K had already received was fair. They explained that this service can't consider complaint points regarding the way Halifax handled Mr K's complaint as complaint handling isn't a regulated activity and so on this basis, they wouldn't be asking Halifax to do anything more.

Mr K disagreed, he says Halifax shouldn't have been sending out dormancy letters to accounts three months after a transaction took place as that invalidated any notion of the account being dormant. Mr K says the chat operator wrongly suggested the letter was because he wasn't using his debit card and closed down the chat and Halifax failed to follow up on the issue.

Mr K says the letter caused him anxiety and our investigator failed to consider the impact of this on him and took an unjustly lax and permissive stance on this.

Mr K believes they were influenced by Halifax's pre-emptive move to pay him £50 compensation and believes more compensation is warranted. Mr K wants this service to change its approach and incorporate complaint handling into its remit and has asked for an ombudsman's decision.

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.

And after considering everything I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

It might help if I explain this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority. So I can't look at Halifax's internal complaints procedures or processes and tell it what it must do and even if it was in this service's power to do so, as complaint handling isn't a regulated activity, we wouldn't be able to look at Mr K's complaint if it solely related to this and we have no power to incorporate complaint handling into our remit.

My role is to look at the problems Mr K has experienced and see if Halifax has done anything wrong. If it has, I would seek – if possible - to put Mr K back in the position he

would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

When banks offer products and services they are under a duty to ensure compliance with various legal and regulatory obligations including ensuring accounts are being used legitimately by the account holder – this is to protect both customers and businesses against any fraudulent activity.

Mr K is unhappy Halifax sent out a dormancy letter despite using his account within three months of this and that it was suggested during the chat the reason for the letter was due to him not using a debit card which he doesn't have.

But Halifax has explained that account activity is reviewed annually, and data is collated in advance of its dormancy letters being generated which is why Mr K received a letter despite there being activity on his account three months earlier. And although it's not for me to say what procedures or processes Halifax needs to have in place to meet its regulatory obligations, even if Halifax had considered the transaction made by Mr K in April, after considering Mr K's very minimal account activity over the years I don't think it is unreasonable Halifax would have cause to review and question whether Mr K needs his account.

So I don't think that Halifax made an error or treated Mr K unfairly when its systems generated a dormancy letter under its dormancy programme. Nor do I think it is wrong that the chat suggested the letter was due to not using his debit card, as it is not disputed that this is the case – although I appreciate the reasons why – I think this is a relevant consideration when deciding whether an account – especially a current account – could potentially be dormant.

I appreciate this caused Mr K some distress and inconvenience and the service could've been better. But Halifax has apologised for this and compensated him £50 which I think is fair as Mr K hasn't suffered financially and at no point was his account restricted or inaccessible for him.

So I don't think Halifax did anything wrong or treated Mr K unfairly when it sent Mr K a letter about his account. And I do not consider the detriment Mr K alleges sufficient to warrant compensation above the £50 already paid for the service received.

So on this basis I'm satisfied Halifax hasn't made an error or treated Mr K unfairly. And it follows that I do not uphold Mr K's complaint.

My final decision

For the reasons I've explained I've decided not to uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 January 2026.

Caroline Davies
Ombudsman