

The complaint

Mr J complains that Bank of Scotland plc (trading as Halifax) unfairly restricted his account.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving my reasons for my 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.

I'd like to start by saying that I've considered all the arguments and evidence provided by both parties, but in this decision, I'll be referring to and focusing on what I consider to be the main points. No discourtesy is intended by this. We aim for our decisions to be as concise as possible. Having done so, I've decided not to uphold this complaint. I'll explain why:

- As our investigator explained, banks (including Halifax) have certain regulatory obligations that they must take action to adhere to. Having considered the evidence and information in this case, I'm satisfied Halifax's decision to restrict Mr J's account was in line with its regulatory obligations.
- Halifax says it decided to terminate Mr J's account following its review. Providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. However, a bank should still make sure it hasn't exercised its discretion for plainly unfair reasons, or that it was due to a mistake, and it should still comply with its terms and conditions. I'm satisfied Halifax acted fairly and within the scope of its terms.
- As Mr J's account held a balance at the time, Halifax says the account hasn't been completely closed on its system and instead has been restricted until the balance is withdrawn. I appreciate Mr J's concerns about the funds that are held and the options available to Halifax to return these funds to him. But I'm satisfied Halifax offered Mr J reasonable opportunity to withdraw his funds. Mr J seems to have acknowledged that he chose not to withdraw the funds, so I can't fairly conclude that Halifax is liable any losses he's incurred as a result.
- I understand Mr J's concern, given he would like to understand why Halifax has taken this course of action. Although Halifax has shared its reasons with this service in confidence, the bank is under no obligation to provide an explanation to Mr J.
- I acknowledge Mr J's submission that Halifax failed to notify him of its decision. The bank says it sent Mr J an SMS and a letter. Although Halifax has been unable to share a copy of what was sent to Mr J, it has provided an example – supported by its internal notes confirming these notifications were sent. I appreciate Mr J says these

weren't received, but I'm satisfied that, on balance, Halifax has demonstrated that these communications were sent to him.

- As our investigator rightly points out, some of the recent submissions Mr J raised do not fall within the remit of this complaint, so I won't be addressing his concerns about more recent events, nor can I reach a finding on his new complaint about the available options to withdraw his funds.

So I won't be asking Halifax to take any action in relation to this complaint.

My final decision

For the reasons explained above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 10 March 2026.

Abdul Ali
Ombudsman