

The complaint

Miss S complains that Bank of Scotland plc, trading as Halifax, unfairly recorded a default against her.

What happened

Miss S held a credit card with Halifax; the account ultimately defaulted in 2025. Miss S considers the default to have been unfairly registered. In short, she says she didn't receive any of the letters Halifax sent to her; she also thinks Halifax didn't do enough to support her during a difficult time. Miss S complained to Halifax, but the bank defended its actions. It said it had written to Miss S on several occasions, as it's required to do, and it hadn't received any notification that its letters hadn't been delivered. Moreover, Halifax outlined how it had taken steps to support Miss S; it had arranged for 30-day hold periods to be applied so she could get her affairs in order, it had also arranged a repayment plan with Miss S. That plan had ultimately failed though and, when numerous repayments had been missed, it left Halifax with little choice but to close the credit card and apply a default.

Miss S contacted this Service. An Investigator here looked at what had happened; having done so, they didn't recommend Miss S' complaint be upheld. They said:

- Halifax had sent Miss S multiple letters, beginning at the time her account started to fall into arrears, but it hadn't received any response to most of them.
- A Default Notice had been served in June 2025.
- Miss S did contact Halifax in August 2025, and she arranged a repayment plan to help bring down the arrears.
- Some payments were missed, and that led to the repayment plan being broken. The account was then defaulted and closed.
- Overall, Halifax hadn't acted unreasonably in the circumstances.

Miss S disagreed. She reiterated her view that a default wasn't proportionate in the circumstances. So, as no agreement has been reached, Miss S' complaint has now been passed to me to decide.

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.

At the outset, I'll say that I know just how strongly Miss S feels about what's happened here – and I'm truly sorry to read of how she's struggled. There's no question she's faced a difficult situation – both financially and personally – and I do very much hope that things have improved for her. Before I cover anything else, I'd certainly encourage Miss S to reach out to organisations which can provide support and advice if she hasn't already done so; our Service will be happy to pass on contact details of such groups, if Miss S would like them.

I'll also mention that I have read and considered all that Miss S has said and provided, but I haven't commented on each and every statement she's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because our role is to be informal; I don't intend any discourtesy in my approach, it's simply to align with that purpose.

Turning to the merits of the complaint, I'm afraid that I don't share Miss S' view of the matter. Instead, I agree with the findings of our Investigator; on balance, I don't consider that Halifax acted unreasonably here. That'll be very disappointing for Miss S, and I know it's not the answer she'll want to receive, but it's key to remember that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong – and I don't think I can reach that conclusion here.

In these circumstances, I think Halifax was legitimately entitled to default Miss S' account. Simply put, arrears were outstanding, and Halifax didn't receive some of the payments it should have – either at all, or on time. I'm also satisfied that Halifax did send the letters it says it did, and that it complied with its regulatory obligations by issuing a Default Notice. I know Miss S says she didn't receive that correspondence, but I can't say that Halifax did something wrong in how it administered the process. The copies of the letters show they were correctly addressed to Miss S and, nonetheless, the fact is that non-receipt of the notice doesn't mean a default can't be applied.

I know Miss S' view is that a default was disproportionate in her circumstances; she's mentioned several issues, like a difficult pregnancy, and the general cost of living, as factors which affected her ability to manage the credit card. That's entirely understandable, and there's no reason for me to doubt what Miss S has said there. Based on what I have, though, I do think Halifax tried to work with her to repay the debt in a sustainable and achievable way. It applied informal 30-day hold periods – where interest and charges were suppressed – and it agreed to a repayment plan with Miss S. I know it also spoke of other options, like a consolidation loan, too.

That certainly shows a willingness to offer forbearance and assistance, which is exactly what Halifax should do in such circumstances. I wouldn't though, broadly speaking, expect such measures to continue perpetually – particularly if some, like repayment plans, for example, are broken as they were here. I've no doubt Miss S was willing to try and repay the debt and that she didn't mean to break her repayment plan, but the position is that she did break it – and I can't then fairly say that Halifax was wrong to follow its usual collections process, including the issuance of a default.

To sum up then, after it issued a default notice, Halifax agreed to work with Miss S to repay her debt; it set up a repayment plan, which was then broken, and it consequently closed and defaulted Miss S' credit card. I don't think that's inherently unreasonable. So, on that basis, I don't require Halifax to remove the default from Miss S' credit file and it follows that I don't uphold this complaint.

My final decision

My final decision is that I don't uphold Miss S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 1 January 2026.

Simon Louth
Ombudsman