

The complaint

Mr and Mrs L complain that Bank of Scotland plc closed their account without providing proper notice or reasons. The complain too about the way the bank – which trades in this case under its Halifax brand – dealt with the return of funds to them.

What happened

Mr and Mrs L live overseas but until recently held a joint account with Halifax – as well as a local account.

In September 2024 Halifax wrote to Mr and Mrs L to say that it needed information about them and the account in order to meet their regulatory obligations. The bank says it sent its requests by email. Mr and Mrs L say that they did not receive them. The bank did not receive the information it needed.

On 11 February 2025 Halifax wrote to each of Mr and Mrs L to say that it would be closing their account after 65 days. It did not give any specific reason. In the event, the account was closed on 26 June 2025 with a balance of just under £380.

The bank's usual practice on closing an account with a credit balance is to send a cheque for the balance to the customer's address linked to the account. In this case, cheques were issued, but Mr and Mrs L did not receive them. They say that the postal service where they live is unreliable. In the event, Halifax arranged for funds to be transferred, and they were received on 9 September 2025.

On 7 July 2025, Mr L had attended a branch in the UK but had been unable to withdraw funds.

Mr and Mrs L complained, first to Halifax and then to this service. In summary, they said that the bank should not have communicated only by post, since that was not reliable where they were living. Halifax had not given reasons for closing the account, and it should not have tried to send the closing balance of the account by cheque – again, because post was unreliable.

Our investigator noted that the bank had not provided evidence that it had given proper notice of the closure of the account. He initially recommended therefore that Halifax pay Mr and Mrs L £150 in recognition of the inconvenience to which they had been put and that it pay interest on the funds in the account from 7 July 2025 until 9 September 2025. Mr and Mrs L accepted the investigator's recommendation.

In response to the investigator's assessment, however, Halifax sent copies of the closure notices dated 11 February 2025. The investigator revised his assessment and indicated that, since the bank had shown that it had given notice of its intention to close the account, a reduced payment of £50 would be appropriate.

Mr and Mrs L did not accept the investigator's amended opinion and asked that an ombudsman review the case.

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.

Banks have certain regulatory duties and obligations, including to keep their customer information up to date and to understand how their accounts are being used. It was therefore not unreasonable of Halifax to seek to contact Mr and Mrs L in September 2024 so that it could ensure its information was correct.

Mr and Mrs L say they did not receive those requests but, like the investigator, I am satisfied – albeit on balance – that they were sent.

It is primarily for banks to decide – in the exercise of their commercial judgment – whether to provide or to continue to provide account services to any particular customer. This service will not generally intervene, as long as that judgment is exercised legitimately. I am satisfied that it was in this case and that I should not say that the bank was wrong to close the account. Halifax did not have to tell Mr and Mrs L the exact reason for the account closure.

However, a bank should give reasonable notice of closure. What is reasonable depends on the circumstances, but in this case the bank says it gave 65 days' notice of closure. And in fact the account was not closed until more than four months after the letters giving notice.

Mr and Mrs L say, however, that notice should not have been given by letter, given the unreliability of the postal service where they live. I can understand their argument, but I am satisfied that it was reasonable of the bank to write to them at the address linked to the account. Halifax did not have to tailor its communications because of where Mr and Mrs L lived. I am satisfied therefore that the bank gave proper notice before closing the account.

In my view, it was reasonable too of Halifax to return funds on the account by cheque – at least in the first instance. When that proved unsuccessful, I am pleased to see that a direct transfer was arranged.

However, there does not seem to be any reason why Mr L was unable to withdraw funds when he attended a branch in the UK – even though the account was closed by that point. So, there was a delay in the return of the funds, and I agree that Mr and Mrs L should be compensated for that.

Where a customer is deprived of funds, this service will often compensate them for that by making an award of interest. I calculate that interest at 8% on the account balance from 7 July 2025 (when Mr L tried to withdraw funds in branch) until 9 September 2025 (when funds were transferred) amounts to just over £6. I don't propose to therefore to make a separate interest award in this case. In my view, the investigator's recommendation that the bank pay Mr and Mrs L £50 is, overall, a fair and reasonable outcome.

My final decision

For these reasons, my final decision is that, to resolve Mr and Mrs L's complaint in full, Bank of Scotland plc should pay them £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 20 March 2026.

Mike Ingram

Ombudsman