

The complaint

Mr W complains that Bank of Scotland plc, trading as Halifax ('Halifax') acted irresponsibly in the way it provided him with an overdraft facility in December 2021 and then went on to increase the overdraft limit three times between March 2022 and November 2023.

What happened

The initial overdraft in December 2021 was for £1,000. It was then increased to £2,150 in March 2022, to £2,700 in January 2023 and to £3,500 in November 2023.

The details of this complaint are otherwise 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 the 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.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr W's complaint.

Having considered everything, I'm not upholding Mr W's complaint. I'll explain my reasoning below:

- I think the checks Halifax used when agreeing to the initial overdraft in December 2021 were reasonable and proportionate, given the overdraft limit being granted and what it knew about Mr W's financial circumstances.
- I also think the checks Halifax had in place before it agreed to each of the increases were enough for Halifax to make a fair and reasonable lending decision. They each established that the overdraft was likely to be affordable and also repayable on a sustainable basis. I say this given that there was no suggestion of financial difficulties from the credit check and the affordability calculation suggested that Mr W would be left with a good level of disposable income each month.
- Nonetheless, I've considered Mr W's current account statements in order to get an idea of what Halifax was likely to have seen at the time of each lending decision. I've also looked at the statements he's sent us from other accounts he held. Having done so and having thought about what Mr W has told us about his financial circumstances, I've not seen enough to show or suggest that he might have been over-extending his borrowing capability with the increased overdraft limits such that he wouldn't be able to repay each overdraft limit on a sustainable basis.
- In terms of monitoring Mr W's account use going forwards from each increase, I've seen that he was making greater use of the overdraft facility from early 2024. I've

noted he had income coming in from various sources, including savings. But there were no particular signs of financial distress such that Halifax needed to intervene.

- I don't think Halifax has acted unfairly in any other way. I've seen that when he made his complaint, Halifax put a 30 day hold on overdraft fees by way of support.

This all means I don't think Halifax did anything wrong when it provided the initial overdraft or the increases that then followed.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Halifax lent irresponsibly to Mr W or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr W hoped for. But for the reasons I've given above, I'm not asking Halifax to do anything more than it has already done to put things right.

My final decision

My final decision is that I'm not upholding this complaint and I don't require Bank of Scotland plc, trading as Halifax, to do anything more.

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

Michael Goldberg

Ombudsman