

## **complaint**

Mr B complains that the interest rate charged on his Bank of Scotland plc, trading as Halifax, credit card was too high and Halifax has not responded positively or sympathetically to the financial difficulties he is experiencing. Mr B wants Halifax to help him address his financial difficulties.

## **background**

Mr B had a credit card with Halifax. He benefitted from a preferential low rate of interest on a balance transferred from another lender, although Mr B says this was for the purchase of car. The lower rate would apply to that element of the debt on the account for the life of the account provided Mr B did not miss any payments. Halifax says that Mr B missed a payment so it increased the interest rate on the account. Mr B says it was the bank's error as it did not amend his direct debit as per his instructions.

Mr B approached Halifax to convert his credit card debt into a loan. He says he offered the property he jointly owns with his son as security. Halifax did not agree to Mr B's request for a loan.

He says he was not aware of another increase to the interest rate on his account and now finds himself in financial difficulty. Mr B raised his concerns with Halifax but as he did not receive a satisfactory response, he stopped making payments to his account. This prompted Halifax to take action to recover the outstanding balance.

Some of Halifax's operations are carried out by providers based outside the UK. Mr B does not want to deal with non-UK based service providers as he is concerned about the security of his personal data.

Halifax paid Mr B nominal amounts of compensation for its poor service. As Mr B was not satisfied with the way Halifax responded to his various issues, he referred the matter to this service. Halifax acknowledged it had not dealt with some of Mr B's later queries as well as it might have done – particularly following up earlier correspondence – so offered Mr B £100 in compensation.

Our adjudicator passed on Halifax's offer to Mr B. But other than that, she did not recommend Mr B's complaint should be upheld. She noted Halifax's decision not to offer Mr B a loan was a commercial one for the bank and not one that this service would not normally intervene in. She considered Halifax had responded to Mr B's financial difficulties by closing his account so his debt would not increase. She was satisfied Halifax's records showed that two payments were missed on Mr B's account, so it was entitled to increase the interest rate on the account and noted the interest rate had not increased for some years.

Mr B did not accept the adjudicator's view and asked the matter to be referred to an ombudsman for a final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as the adjudicator, for broadly the same reasons.

I do not doubt Mr B's frustration with what he sees as a lack of appropriate responses from Halifax to his problems. But I believe the way forward is for Mr B to discuss his difficulties with Halifax and agree a plan for repaying the debt.

Mr B has raised several matters associated with his original complaint, including Halifax providing some of the account services from outside the UK. But the key issues I need to consider are whether Mr B would have been aware of the increases in the interest rate on his account and whether Halifax has responded positively and sympathetically to his financial difficulties. I cannot instruct Halifax how to provide services to its customers, or influence its commercial decisions.

Having looked at the information provided by Halifax, I can see from the account records that Mr B missed two payments on his account. So, even if one of those was due to Halifax not processing Mr B's changes to his direct debit, he missed at least one payment – triggering the withdrawal of the preferential rate on that element of the account.

Similarly, I am satisfied that Halifax sent Mr B notification of an increase in the interest rate. While it does not have a copy of an individual letter to Mr B, it has provided a copy of the standard letter to borrowers. This is common for financial – and many other – businesses when dealing with large volumes of notifications to customers. I have no reason to believe Halifax did not send a letter to Mr B, even though he may not have received it.

I can understand Mr B's frustration that Halifax did not agree to his request to convert his credit card debt into a loan. As the loan would have had a lower interest rate, Mr B believes this would mean he would have been better placed to reduce the debt. He sees Halifax's decision as counter-productive. Halifax has said there are many factors it considers when making loan decisions.

I note Mr B told Halifax he would be willing to secure the loan against his property. It may be that the property being jointly owned by Mr B and his son may have been a factor – as both of them would have to take out the loan. In any event, I would not intervene in Halifax's commercial decision in this case.

Halifax has closed Mr B's account so his debt cannot increase. I believe this is a reasonable action by Halifax. It has tried to contact Mr B to agree a repayment plan for the debt but he has refused to discuss this with Halifax until his wider complaints are addressed. That is a decision for Mr B, but I believe Halifax has tried to respond positively and sympathetically to Mr B's situation.

In summary, I am satisfied that Mr B should have been aware of the interest rate charged on his account at various times and that Halifax has tried to respond to Mr B's financial difficulties.

I know that Mr B will be disappointed with this but I firmly believe the way forward is for Mr B to discuss his difficulties with Halifax and agree a plan for repaying the debt. I am confident that Halifax will engage positively with Mr B in doing so.

### **my final decision**

For the reasons I have given, I order Bank of Scotland plc, trading as Halifax, to pay Mr B £100.00.

Andrew Davies  
**ombudsman**