

complaint

Ms T complains that Bank of Scotland plc (trading as Halifax) closed her accounts without notice or explanation, and reported her to CIFAS for fraud, which has prevented her from opening a new account elsewhere. She complains that her account was not credited with a deposit of £100. And she says that inaccurate information was recorded by the bank about a phone call she made.

background

Ms T had a current account and a savings account with Halifax. In July 2016 a cheque was paid into each account. Halifax identified both cheques as fraudulent, and re-debited them from the accounts. It then closed the accounts and reported Ms T to CIFAS. Ms T says that as a result she is now unable to open an account. She also says that she was not notified about the closure, even when she visited her branch.

Ms T also complains that when she deposited £100 at her branch, only about £28 of it was credited to her account. And when she phoned Halifax to ask what had happened to the rest of it, this was wrongly recorded as a call about £3,100. She later had to make a second visit to her branch to obtain the £72 balance.

Halifax apologised for its errors in dealing with the £100 deposit. It offered Ms T £50 for her trouble, and another £2 to cover the cost of her second journey to the branch. But it said it had been entitled to close the accounts, and had given her proper notice of the closures. Ms T was not satisfied and so she brought her complaint to our service.

Our adjudicator did not uphold this complaint. She agreed that Halifax had been entitled to close the accounts, and that it had given Ms T 60 days' notice of its intention to do so. £52 was fair compensation for the other errors.

Ms T accepted that Halifax had been entitled to close her accounts in line with the terms and conditions of the accounts. But she objected to the CIFAS marker being recorded against her name, because it prevented her from obtaining a new account and she had done nothing wrong. And she insisted that the accounts had been closed without notice in July. She said Halifax had acknowledged this error by paying her £52 for it. She asked for an ombudsman's 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 do not uphold this complaint. I will explain why.

Halifax made it very clear in its final response letter to Ms T that the £52 compensation was not because it had not given her proper notice of the account closures. It expressly told her that it had written to her in July to tell her that the accounts would be closed in 60 days. The next day, when she visited her branch, the branch staff put her on the phone to the bank's fraud department, which told her again. When Ms T complained that she had not received her first letter, Halifax sent her another one in August. Halifax said it wasn't its fault if the letters had been lost in the mail. It concluded that it had done nothing wrong in connection with the account closures.

That letter went on to apologise for the reference to £3,100, which was a typing error. It had been supposed to say £100. (I note that “3” and “£” are both on the same key on a keyboard.) And Halifax apologised for the fact that the £100 deposit had been dealt with incorrectly. The £28 had been credited to bring the current account balance to nil, because the account had been overdrawn by that much. The difference should have been returned to Ms T. Instead, she had to return to the branch to obtain it. I think Halifax’s letter makes it clear that the £52 was for those errors. The £2 was specifically to cover Ms T’s expenses for returning to the branch. Halifax has never accepted that it did not give Ms T notice of the account closures. And I accept that it did.

In coming to that conclusion, I have considered what Ms T has said about her difficulties in using the accounts between July and September. But these were not the result of the accounts being closed in July. Rather, the accounts were blocked during that time. The block on one account was temporarily lifted in order allow her to make a withdrawal. But I’ve seen evidence to show that the accounts were closed in September.

Halifax’s terms and conditions say that it can close an account without giving an explanation, provided that it gives two months’ notice. It did that.

Ms T told Halifax that “I had no idea who paid those cheques or where they were paid from nor the names of those who paid them.” But it’s not clear why someone she doesn’t know would pay cheques for three-figure sums into her accounts without telling her. And Halifax says that the cheques themselves were fraudulent. I accept that Ms T did not spend the money before the payments were reversed. But Halifax took into account the fact that three years earlier, her account appeared to have been used to launder money. Given all of the information Halifax had, I don’t think I can say it was wrong to decide to inform CIFAS.

(Ms T can still make a subject access request to try and find out more about what Halifax told CIFAS, with a view to using any more information she obtains that way to challenge her CIFAS entry via the Information Commissioner’s Office. She can bring £10 in cash to the Post Office and obtain a postal order to pay the fee.)

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms T to accept or reject my decision before 17 February 2017. But if she does not reply then we will presume that she has rejected my decision.

Richard Wood
ombudsman