

complaint

Mr D complains that Bank of Scotland plc (trading as Halifax) withdrew his overdraft facility without giving any notice. Mr D wants Halifax to refund his payday loan costs and close his account.

background

Halifax withdrew Mr D's overdraft facility in early June 2015. Mr D said he hadn't received any advance notice that this would happen.

Halifax said it wrote to Mr D in early May 2015 to tell him about the overdraft facility. But it paid £25 as Mr D said he hadn't received the letter. Halifax paid a further £4 for calls and agreed to waive unplanned overdraft fees until December 2015. The bank says it told Mr D to speak to the collections team to arrange a repayment plan.

Halifax then debited more unplanned overdraft fees from Mr D's account and charged a returned direct debit fee. Halifax paid Mr D £50 compensation, £75 to cover the returned direct debit and Mr D's time, £26 of fees and £42 for calls. But Halifax wouldn't refund the payday loan costs.

Our adjudicator didn't recommend that Mr D's complaint should be upheld. She was satisfied that Halifax gave Mr D notice that his overdraft facility was to be removed. She considered Halifax had tried to help Mr D by giving him time to repay the overdraft. And that it was Mr D's choice to take out the payday loan.

Mr D is unhappy with the adjudicator's conclusions. He says he had no choice but to take out the pay day loan. Mr D doesn't believe that Halifax sent him notice of before his overdraft facility.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. In cases like this, where the evidence is inconclusive, I reach my decision on the balance of probabilities. That means I'll look at all the available evidence and decide what I think is most likely to have happened.

I appreciate that it's likely to disappoint Mr D but I agree with our adjudicator. Halifax has given us evidence that it sent a system generated letter to Mr D on 5 May 2015. I have no reason to doubt the bank when it says it sent the letter. I realise that Mr D says he didn't receive notice of the withdrawal of his overdraft facility. But I can't blame the bank for any failure in the postal service.

Mr D's overdraft was repayable on demand. The bank carried out a review and decided to withdraw the facility. I can't interfere in Halifax's commercial decision to take this step.

I can still consider whether Halifax treated Mr D fairly once it told him about the withdrawal of his overdraft. I can see that Halifax agreed to refund fees and waive future account fees until December 2015. It also told Mr D to speak to the collections team to arrange a repayment plan. I find that Halifax's approach was reasonable.

I don't find it fair to require Halifax to refund any costs connected with Mr D's payday loan. I say this as I don't find the bank made a mistake when it withdrew Mr D's facility. And when it did this, the bank gave Mr D some breathing space to repay the balance. If Mr D hasn't done so already, he should contact the collections team to arrange a repayment plan. I would expect the bank to treat any approach sympathetically and reasonably.

I understand that Halifax made a mistake when it carried on charging fees after it agreed to suspend them until December 2015. The bank has apologised for this and refunded fees and paid compensation. By my calculation, Halifax has paid just over £220 since Mr D first complained. I find this fair and in line with the kind of award this service would make.

my final decision

My decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 12 November 2015.

Gemma Bowen
ombudsman