

## **complaint**

Ms M complains that Bank of Scotland plc (trading as Halifax) has increased the interest rate on her credit card account.

## **background**

Halifax gave Ms M notice that it intended to increase the interest rate from 18.95 to 23.95 per cent per annum. It had reviewed her account when she did not make the minimum payment one month. It refunded a fee of £12 it had charged her for not making this payment.

The adjudicator did not recommend that it do any more. She said that Halifax was allowed to change the interest rate on the account. Ms M could keep the existing rate but that would mean she could not use the card for new spending.

Ms M did not agree and said, in summary, that her complaint had not been considered fairly. She had underpaid by only £9, been charged a fee of £12 and would see her monthly interest costs rise substantially. She said that there had been no change in her financial position and Halifax had no other adverse information. She was unhappy that Halifax had not dealt with her complaint by post at first as she had asked.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand the points Ms M makes. But she was required to make the minimum payment each month or would be in breach of the agreement with Halifax. She had been making the same regular payment for several months. Part of her balance though had been at a zero per cent promotional rate and when this expired the minimum payment (which covered additional interest on this balance) increased.

This service does not regulate the level of interest rates. Here Halifax has given an explanation of why Ms M's rate is to increase. And as it is exercising its legitimate commercial discretion I'm not able to find that this is unreasonable. It's offered Ms M the option of keeping the old interest rate if she stops using her account as it has to do. I'm not going to ask it to do any more.

## **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 M to accept or reject my decision before 30 December 2015.

Michael Crewe  
**ombudsman**