

complaint

Miss Q complains about the charges applied to her current account by Bank of Scotland plc trading as Halifax.

Miss Q says the charges are too high and have caused her financial difficulties. She says Halifax should have realised, stopped the charges from happening and offered more help. Miss Q would like a refund of charges made over the last six years and a payment for interest.

background

Miss Q has a current account with Halifax with an overdraft facility with a limit of £370. In July 2017, Miss Q wrote to Halifax to complain that the charges applied to her account were making her financial difficulties worse.

Specifically, Miss Q says that the monthly charges had regularly pushed her account over the overdraft limit leaving her unable to pay her bills. Miss Q says she relied on credit cards for basic living costs and her financial circumstances are affecting her health. She also says the charges are excessive and unfair.

Halifax said Miss Q didn't tell them she was in financial difficulty until she made her complaint to them. To help Miss Q, Halifax cancelled some fees due to be taken from her account and refunded £100 of charges made previously in the year. They told Miss Q that she could contact its 'Money Management Team' to review her finances. Additionally, Halifax spoke about the Supreme Court's decision in 2009 and why its ruling means bank charges can't be challenged because they're too high.

Miss Q disagreed with Halifax and brought the complaint to us. Our investigator said Halifax had done enough to try and help. Miss Q disagreed and said Halifax's Money Management Team could've contacted her sooner because they could see she was in financial difficulty. She also told us that she has contacted a debt advice service to help with her financial circumstances.

Miss Q's case has now been passed to me for consideration.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same overall conclusions as the investigator, for much the same reasons.

I'm sorry to hear about the difficult time Miss Q is going through. Miss Q says that Halifax could've helped with her financial difficulties sooner by looking at her accounts. I can see Miss Q's account does sometimes exceed its overdraft limit, but this itself is not a definite sign of financial difficulty. While it may have been a signal Miss Q was struggling to manage her account, I don't think Halifax would have known about the extent of her financial difficulties until she approached them in July 2017. I don't find Halifax should have offered help sooner than it did.

A lender is expected to treat a customer positively and sympathetically if they are experiencing financial difficulties. This may mean, amongst other things, agreeing to an

affordable repayment plan, suspending interest or writing off some or part of a debt. Miss Q's account has an overdraft facility and Halifax haven't demanded that she repays it. So, while there's no debt repayment to discuss, I'd expect Halifax to offer to help Miss Q organise a monthly budget or perhaps try to give her some breathing space.

Halifax have refunded some bank charges and cleared the fees due for one month. This ought to give Miss Q time to review her financial situation. Halifax also offered to talk to her about her budget planning, but as we now know, she's started to do that with the help of another organisation. By taking these steps, I find that Halifax have acted positively and sympathetically to assist Miss Q when she told them of her financial difficulties.

Miss Q tells us she has outstanding debts with other lenders that she has to make regular payments to. It's really up to her to talk to those other lenders about any help they can give with the repayments she owes.

Miss Q says that the charges are unfair and excessive. The Supreme Court's ruling says that the level of bank charges can't be challenged just because a customer thinks they are too high. So I find Halifax don't have to refund bank charges because Miss Q says they are unfair.

I appreciate the reasons why Miss Q has brought this complaint. But looking at everything that happened, I don't consider that Halifax has treated her unfairly – and they have already refunded some charges.

my final decision

For the reasons I've explained, my final decision is that I don't uphold Miss Q's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Q to accept or reject my decision before 21 December 2017.

Sam Wedderburn
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