

complaint

Miss K complains that Bank of Scotland plc, trading as Halifax, is holding her liable for the closing balances of her accounts. She says that her purse was stolen and that she has been the victim of a fraud.

background

Miss K had accounts with Halifax. Her purse was stolen from her in 2012 which she reported to the police. The purse contained her banking and driving licence details (including her PIN - which she kept in her purse because of her dyslexia). Halifax closed Miss K's accounts because five fraudulent cheques – totalling nearly £5,000 - had been paid into her accounts. Two of the accounts had outstanding balances. Halifax pursued Miss K for payment of those amounts and a default was recorded on her credit file when she didn't respond to it. She complained to Halifax about these events in January 2016 when she was unable to get a mortgage because of the information on her credit file. She wasn't satisfied with its response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. She noted that Halifax's records show that Miss K didn't contact it about the theft until a month after the fraudulent cheques were deposited into her account (even though her banking details and PIN had been stolen). She also noted that transfers were made between Miss K's accounts after the cheques were deposited and that Miss K says that she didn't have any written record of her online banking details in her purse. So the adjudicator said that it was unclear how her online banking details were compromised and accessed by an unknown third party. And she said that it was unusual that some of the cheques were deposited to an account that the third party wouldn't have had any access to. So the adjudicator concluded that Halifax didn't have to refund any money to Miss K and that it was reasonable that it holds her liable for the outstanding balances.

Miss K has asked for her complaint to be considered by an ombudsman. She says, in summary, that her dyslexia should be taken into account when her complaint is considered as she kept her banking details in her purse as she needs reminders about numbers. She says that it is up to her to decide what she keeps in her purse and that there is no law which prohibits her from carrying her banking details in her purse. She says that she is a vulnerable young person with a disability who has been the victim of a crime.

my findings

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

Halifax says that it closed Miss K's accounts because five fraudulent cheques - totalling £4,948 – were credited to her accounts in early 2012. Miss K had explained that her purse – which contained her PIN and other banking details - had been stolen. Halifax said that Miss K had breached the terms and conditions of the accounts by not protecting her PIN and online security so her fraud claim was declined and it held her responsible for the outstanding debts on the accounts. Miss K didn't respond to any requests that Halifax sent to her, so the accounts were passed to its debt recovery department and then to an external debt recovery agent. Halifax also recorded a default on Miss K's credit file.

Miss K says that proper account hasn't been taken of her dyslexia which made it necessary for her to keep her account details and PIN in her purse. But banks have a legitimate interest in preventing fraud so require customers to protect their banking details and PIN. By keeping her PIN in her purse, Miss K didn't take appropriate steps to protect it and breached the terms and conditions of her account. That breach, together with the fraudulent activity on her accounts, entitled Halifax to close her accounts and to require her to repay the outstanding amounts. She didn't repay those amounts and didn't respond to Halifax - so Halifax passed the debts to a debt recovery agent and recorded a default on her credit file.

I sympathise with Miss K that her purse was stolen and for the consequences that have followed. But I'm not persuaded that there is enough evidence to show that Halifax has acted incorrectly. Nor do I find that it has discriminated against her in any way or that it has failed to take proper account of her dyslexia. So I find that it wouldn't be fair or reasonable for me to require Halifax to remove the default from Miss K's credit file. And it's fair and reasonable for it to seek repayment from her of the outstanding balances of the accounts – to the extent that it's legally entitled to do so.

my final decision

For these reasons, my decision is that I don't uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 10 June 2016.

**Jarrod Hastings
ombudsman**