

complaint

Mr B complains that Bank of Scotland plc trading as Halifax ("Halifax") had told him it had linked his personal credit card to his business. But he later found that as the card is still in his name, he's being asked to pay all of the outstanding debt.

background

Mr B tells us he applied for a Halifax credit card in his own name in 2002. He later applied for a business credit card in 2005. He was told there was no need to apply for a new card because he could use his existing card. So the credit limit was extended for the business usage. And he assumed the card had been successfully linked to his business, so he went on to use it for business purposes. Unfortunately, Mr B's business went into administration and Halifax says he must pay off all the outstanding balance because the card is still in his personal name. Mr B says Halifax should've told him he would still be liable for the debt if his business was dissolved and that it shouldn't have increased the credit limit to encourage a larger debt. He suggests he only pays half of the outstanding debt.

Halifax tells us it has no record of the conversation Mr B had with its staff in 2005. But it adds Mr B had various benefits attached to the personal credit card which he wouldn't have had if he'd been issued with a business account. And he was always able to opt out of the increased credit limit when it was offered to him. Halifax offered to pay £100 for any confusion it caused.

Our adjudicator thought the complaint shouldn't be upheld because Mr B was bound by the terms and conditions of the credit card agreement which he signed. And he would have to pay it. So he concluded the offer of £100 for the confusion caused was fair. Mr B disagreed with the adjudicator's view and asked for the matter to be looked at again.

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 decided not to uphold this complaint. I'll explain why.

I've seen the credit card agreement which Mr B signed in 2002. The agreement was for a credit card taken out in his name only. And it says he agrees "*to be bound by this agreement which includes the Halifax Credit Card conditions.*" So I also looked at the Halifax Credit Card conditions. They explain Mr B is liable for the spending on the card. And he had agreed them by signing the application form. So I think it's clear Mr B is liable for the outstanding debt, whether the credit was for business or personal use.

Unfortunately, there are no notes of the later conversation he had with Halifax in 2005, so I don't know exactly what was said to him or what impression he was given during that meeting. I know that Mr B thought the card was linked to his business and that the debt could be written off when his business went into administration. But that was clearly not the case whilst the card was still in his personal name which means he was still bound by the credit card conditions. So I think Mr B is liable for the whole debt. And I don't think there is anything here to make me think Halifax should write off half of the debt.

my final decision

My final decision is that I do not uphold this complaint and I don't ask Bank of Scotland plc to do any more than it has already done.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 November 2015.

Amrit Mangra
ombudsman