

## **complaint**

Mr R complains that Bank of Scotland plc (trading as Halifax) charged him an early closure interest penalty when he closed a fixed term ISA.

## **background**

Mr R had a three year fixed term ISA with Halifax. He went to his branch to close the ISA and five other accounts, and noticed that the account balance on the ISA was less than the actual amount deposited. This was because an early closure interest penalty had been applied to the ISA. Mr R said that if Halifax had warned him about this, he would not have closed his ISA.

Halifax's cashier said that she had told Mr R before closure that he would lose interest as a result of early closure. Nevertheless, Mr R had told her to go ahead and close the account.

The adjudicator did not recommend that the complaint should be upheld. He noted that the ISA was for a three year fixed term and that it had been opened in October 2012. Mr R asked for closure of the account in April 2013. He noted that the account terms said that an amount equal to 270 days interest would be taken from the account upon early closure, and that it was Mr R's responsibility to have read the account terms. He was satisfied that the interest penalty had been deducted in line with the account terms. He also noted that Mr R's recollection of events differed from that of Halifax's staff, so based his recommendation upon the account terms which confirmed the application of the interest penalty upon early closure.

Mr R disagreed and responded to say, in summary, that he had not been warned about the deduction of interest, and that he did not remember what the account terms had said.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I can see that Mr R has strong feelings about this matter, but I note that his recollection of events differs substantially from that of the branch staff.

I also note that the branch cashier acted in line with the account terms. These clearly say that an account holder will lose an amount equal to 270 days interest if the account is closed before the end of the term. Mr R signed to accept the account terms upon application, and so I consider that it was reasonable for the branch staff to expect Mr R to have known that the interest amount would be deducted.

So, regardless of whether Mr R received a warning about the interest penalty from the branch staff (and I make no finding as to whether this was given), I cannot say that Halifax acted incorrectly in deducting the interest penalty.

**my final decision**

My decision is that I do not uphold this complaint.

Roslyn Rawson  
**ombudsman**