

The complaint

Mr A complains Bank of Scotland plc trading as Halifax unfairly closed his account and delayed returning his funds.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A attended branch with his mother on 20 October 2023 to request a withdrawal. A member of staff explained to Mr A further queries would need to be made before they could carry out the request as the account had been blocked. Mr A and Halifax disagree about how exactly events unfolded after this point, but Halifax staff say Mr A became aggressive.

Halifax made the decision to close Mr A's accounts on 23 October 2023. It explained the decision to close Mr A's account was based on repeated incidents of inappropriate behaviour in branch and on the phone to Halifax. Halifax issued Mr A a cheque of his outstanding balance, but there was a delay in this being received. The original cheque was cancelled, and a new cheque was issued. Mr A eventually received the initial cheque and tried to pay it in, but as it had been cancelled, the cheque was rejected. Mr A says the second cheque was never received.

Mr A raised a formal complaint with Halifax about how he had been treated. Halifax explained it had closed Mr A's account in line with its account terms and conditions, and that it had taken reasonable steps to issue Mr A with the funds from his account.

Mr A was dissatisfied with Halifax's response and referred his complaint to our service.

An Investigator reviewed Mr A's complaint and found that Halifax had acted reasonably in closing Mr A's account immediately. However, they found Halifax should've done more to refund Mr A's funds. They recommended Halifax pay Mr A £200 in compensation for the distress and inconvenience caused to him.

Halifax accepted the Investigator's recommendation, but Mr A remained unhappy with the proposed resolution and asked for the complaint to be reviewed by an ombudsman.

What I've decided – and why

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

Firstly, I'm aware that I've only summarised Mr A's complaint points. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. I can assure Mr A I have carefully considered his points.

As a starting point I have considered whether Halifax acted fairly in its decision to close Mr A's account immediately. I have thought about Mr A's comments about what happened in branch, and I am sorry to learn he feels his mother was poorly treated. As part of Halifax's review its obtained testimony from staff who have explained their version of events. These accounts refer to Mr A being rude and aggressive towards staff members. I can see Mr A strongly contends this description of his behaviour.

In situations where there is conflicting evidence, I must consider what I think is most likely to have occurred based on the available evidence. It seems Mr A had a number of difficult exchanges with Halifax both in branch and on the phone during the course of his banking relationship with it. Halifax has also explained that the police have been involved in certain instances. Although I can't be certain of how events unfolded on the 20 October 2023, it seems staff members felt Mr A's behaviour was inappropriate, and Halifax is under a duty to take these concerns seriously.

Halifax reviewed Mr A's account history and made the difficult decision to end its banking relationship with Mr A immediately. The account terms and conditions allow Halifax to do this in specific circumstances, and this includes improper behaviour by an account holder. I appreciate the closure of Mr A's account came as a shock to him and caused him inconvenience. However, Halifax has a responsibility to look after and support its staff, and I think its actions here – in particular the decision to end its banking relationship with Mr A - is reasonable and in keeping with its policy to protect staff. So I think Halifax acted reasonably in making this decision.

Halifax issued Mr A with the remaining funds in his account on 23 October 2023. There appears to have been delays in this being received by Mr A, and he attended branch again to ask about the cheque issued. Halifax cancelled the initial cheque and reissued another. I think this was a reasonable step for Halifax to take at the time, but appreciate this meant there was an additional delay for Mr A. It seems Mr A only received the outstanding balance on his account when the Investigator requested Halifax make an online transfer to an account nominated by Mr A.

I am mindful of Mr A's comments regarding the impact this delay had on him – in particular the financial strain this caused. I do think Halifax should've been pro-active here and suggested an online transfer sooner than one occurred. Halifax agreed to compensate Mr A £200 for this, but I can see Mr A doesn't think this is a fair resolution. Our awards for distress and inconvenience are not intended to be punitive on a business. Instead, when considering a distress and inconvenience award a key factor will be the impact any failures have on the individual. Looking at Mr A's case I can see Mr A spent time and effort contacting Halifax and the lack of access to his funds meant he had to ask family for assistance. However, I must also consider Halifax issued the first cheque promptly, and it did eventually arrive. I also can't hold Halifax responsible for postal issues. So given the various factors here, I don't think the impact on Mr A warrants an increase in the award recommended. Halifax has acknowledged its shortcomings and I won't be asking it to increase the compensation amount.

Mr A says he thinks a member of branch staff should be fired due to her behaviour. Its not our role to tell Halifax how to run its business, and this includes how it should manage its staff.

Part of Mr A's complaint is that his mother has been treated poorly by Halifax. I am sorry to hear Mr A feels this way, and as his mother is a Halifax account holder, she is able to raise a separate complaint about her treatment. This will allow her, or Mr A on her behalf, to fully explain why she feels Halifax has treated her poorly and Halifax can investigate the claims.

Putting things right

Bank of Scotland plc trading as Halifax should pay Mr A £200 for the distress and inconvenience caused due to the delays in providing him with his funds.

My final decision

For the reasons above, I uphold this complaint. Bank of Scotland plc trading as Halifax must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 March 2024.

Chandni Green
Ombudsman