

## **The complaint**

Miss K is unhappy with several aspects of the service she's received from Bank of Scotland plc, trading as Halifax.

## **What happened**

Miss K has a credit card with Halifax. Unfortunately, in recent years, Miss K has experienced several traumatic life events which have impacted her finances and her ability to meet the contractual payment obligations of her Halifax credit account. Miss K feels that Halifax haven't given her appropriate support in consideration of what's happened to her and has made several complaints to Halifax about this and other aspects of the service that she's received from Halifax. This complaint covers and is limited to the following points:

- Miss K is unhappy that when she called Halifax, she was unable to speak with a UK based agent and with the length of time her call took.
- Miss K is unhappy that when speaking with Halifax on the phone she was asked to verify her identity on multiple occasions.
- Miss K is unhappy that Halifax made demands for payment during at time that she was in a 'breathing space' hold, such that no demands for payment should have been made.
- Miss K is unhappy that Halifax threatened to default her credit account for non-payment of outstanding arrears.

Halifax responded to Miss K but didn't uphold any of her complaint points. Miss K wasn't satisfied with Halifax's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Halifax had acted unfairly in how they'd managed these aspects of their business relationship with Miss K, and so didn't uphold the complaint. Miss K remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

## **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.

Having done so, I note that Miss K has provided several detailed submissions to this service regarding her complaint. I'd like to thank Miss K for these submissions, and I hope that she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Miss K notes that I haven't addressed a specific point that she'd raised in her submissions, it shouldn't be taken from this that I haven't considered that point – I can

confirm that I've read and considered all the submissions provided by both Miss K and Halifax. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Miss K is unhappy that when she called Halifax and asked to be put through to a UK based agent, she kept being put through to other overseas agents, and that this caused her to spend an unreasonable amount of time on the call.

I can appreciate Miss K's frustration about what happened here. But it's for Halifax to decide how it operates, including regarding telephony staff. And Halifax confirm that it has several overseas call centres and that all overseas-based staff receive appropriate training so that they're able to assist Halifax customers with whom they speak.

As such, while I appreciate that Miss K would have liked to have spoken to a UK based Halifax telephony agent, I don't feel that it was reasonable for her to expect to have been able to speak with a UK based agent, or to have refused to accept assistance from an overseas based Halifax agent.

I also note from listening to a recording of the interactions that Miss K had with Halifax's overseas agents that the agents were professional and polite when dealing with Miss K and that they did try to accommodate her request to speak with a UK based agent. Unfortunately however, Halifax's telephony system is designed to route calls to the next available agent, regardless of their location.

Again, this is an operational choice that Halifax are entitled to make. And I feel that the fact that Miss K's call it kept getting routed to an overseas agent when Halifax tried to accommodate her request to speak with a UK based agent – because overseas agents were the next available agent in line – is unfortunate for Miss K but isn't an instance of Halifax acting unfairly towards her.

I also feel that Miss K could reasonably have mitigated against the length of the call by simply accepting assistance from one of Halifax's overseas agents. And if Miss K was unwilling to do this, I feel that the length of the call is something for which she should bear the major responsibility. As such, I won't be upholding this aspect of Miss K's complaint.

Miss K is also unhappy that she was asked to verify her identity several times on the same call, having been transferred through to different Halifax agents. But like all banks, Halifax have an obligation to protect the security of their accounts. Halifax do this is by having caller verification processes in place, which include that verification by a prior agent isn't assumed by an agent received a transferred call – such as Miss K's call was on several occasions.

I accept that it would have been frustrating for Miss K to have had to verify her identity on multiple occasions during what was, for her, the same call. But again, I don't feel that this is an instance of Halifax acting unfairly towards her. Rather, I feel that it's an unfortunate but necessary consequence of Miss K speaking with several different Halifax agents and the reasonable and understandable caller verification processes which Halifax have in place. And because of this, I also won't be upholding this aspect of Miss K's complaint.

Miss K also feels that Halifax demanded payment from her during a time that she was in a 'breathing space' hold, which meant that no payment demands should have been received.

I've looked at the letters that Miss K feels were demands for payment from Halifax, and I note that they were monthly account statements, one of which included a Notice of Sums in Arrears ("NOSIA").

Monthly statements and NOSIA are regulatory required correspondence that Halifax are obliged to send to Miss K. And these regulatory requirements remain impingent on Halifax regardless of any agreements that Halifax may have made with Miss K to not pursue her for payment during a set period – such as the ‘breathing space’ hold that Miss K was given.

By sending the monthly account statements and the NOSIA to Miss K, Halifax were acting in compliance with their regulatory obligations. But providing information to Miss K about her account balance and the amount of her account arrears is not the same as seeking payment. And I’ve seen nothing to suggest or evidence that Halifax did demand payment from Miss K during the time that she was in an agreed account hold.

Furthermore, I note that when Miss K agreed the ‘breathing space’ hold, it was explained to her at that time that regulatory required correspondence, such as monthly statements, would continue to be sent, but that Halifax didn’t require any payment or response to those documents from Miss K during the agreed hold period.

If it were the case that Miss K’s hold was agreed on Miss K’s behalf by an authorised representative, such as a debt-charity, then that explanation would have been provided to the representative arranging the hold. And if Halifax’s information and explanation wasn’t passed on to Miss K by the representative who arranged the hold on Miss K’s behalf, then I feel that this would be a matter for Miss K to discuss with that authorised representative.

Finally, Miss K is unhappy that Halifax threatened to default her account, which she feels would be very detrimental for her. And in her correspondence with this service Miss K has repeatedly referenced Halifax’s responsibility to ensure that she is treated with appropriate forbearance and that Halifax act to avoid her falling further into debt.

But while I sympathise with the difficult personal circumstances that Miss K has experienced, it must be acknowledged that Miss K’s contractual payment obligations regarding the credit account remain in place even in consideration of those difficult circumstances.

Additionally, the obligation on Halifax to ensure that Miss K, as a financially vulnerable customer, doesn’t fall further into debt is a reference to Halifax’s obligation to default an account which has remained in a state of arrears for a prolonged period – generally accepted as being more than three months. And this is because the act of defaulting an account freezes the balance outstanding and stops the accrual of further interest and charges on that balance, thus preventing the account holder falling into further debt.

Miss K is correct that credit providers such as Halifax are expected to take the personal circumstances of their account holders into consideration and to provide appropriate forbearance. But that forbearance isn’t expected to last indefinitely. And the holds that Halifax provided to Miss K were designed to provide her ‘breathing space’ to try to resolve her financial position.

However, if Miss K couldn’t resolve her financial position in the time given to her by Halifax to do so, and so wasn’t able to resume meeting her contractual payment obligations on her account, then it is generally expected that Halifax would look to default her account. And I feel that this would be fair because Miss K would have defaulted on her credit agreement.

While it would, of course, be understandable that Miss K would have defaulted on her credit agreement, given the difficult personal circumstances that she’s experienced, the fact remains that Miss K would have defaulted on her credit agreement – even having been provided with forbearance from Halifax which gave her the opportunity to resolve her financial position if possible and so avoid defaulting on her credit agreement.

Ultimately, at the time under consideration in this complaint, Miss K's account was in a state of prolonged arrears such that I don't feel that it was unreasonable for Halifax to have looked to being default proceedings against her.

It's my understanding that Miss K was able to negotiate a halt to those proceedings with Halifax, although I'm unsure as to the present state of Miss K's account or Halifax's current intentions towards it. But, as explained, at the time under consideration here, it seems both fair and reasonable to me that Halifax would consider defaulting Miss K's account because of the account arrears, and so I won't be upholding this aspect of Miss K's complaint.

All of which means that I won't be upholding any of the points of complaint being considered as part of this review. And it follows from this that my final decision is that I won't be upholding this complaint or instructing Halifax to take any further or alternative action regarding any of the points of complaint that I've discussed.

I realise this won't be the outcome that Miss K was wanting. But I hope Miss K will understand, given all that I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 10 September 2024.

Paul Cooper  
**Ombudsman**