

The complaint

Ms Y complains The Royal Bank of Scotland trading as Halifax closed her credit card account and cancelled her debit card without her agreement. She further complains Halifax delayed providing her with a replacement debit card, she isn't receiving statements and is unhappy how much calls to Halifax cost her. She also complains a payment went out of her account after her debit card had been cancelled.

What happened

Ms Y has raised a series of complaint issues with Halifax. She is concerned third parties have been '*hacking*' her accounts with Halifax for several years and haven't taken action to disrupt her banking facilities. Miss T complains Halifax has not done enough to protect her from this. The issues Ms Y has complained about are well known by both parties, but I will summarise them here:

1. Halifax closed Ms Y's credit card account without informing her. Ms Y explained this leaves her vulnerable as she is now without the benefit of Consumer Credit Act Section 75 protection for purchases. Halifax also advised during a telephone call she did not have a credit card with it. Halifax has also advised it will not open a new credit card account for Ms Y.
2. Ms Y lives abroad which means calling Halifax in the UK costs her money. She has complained calls have not been dealt with efficiently, costing her more money than they ought to.
3. Ms Y disputes cancelled her debit card in May 2024 by telephone, stating this was done maliciously by a third party. She has also complained it took Halifax too long to send her a new debit card following this cancellation. Ms Y is also concerned a payment went out of her account the day after her debit card had been cancelled.
4. Ms Y complains she has not been receiving bank statements and is concerned where they have gone.

Halifax wrote a final response letter to Ms Y in July 2024.

Dealing with point one first, Halifax wrote to Ms Y on 5 July 2023, explaining it was lowering her credit limit on her credit card from £5,000 to £500. The letter explains it had decided to do this following a review of her account history. Halifax explained it thought Ms Y may now find it difficult to repay to the previous limit and had therefore lowered it.

Halifax explained it undertook an account review following a temporary interest freeze on Ms Y's credit card. Halifax said it decided to completely withdraw the credit card facility from Ms Y in October 2023.

Halifax recognised it had caused Ms Y distress by failing to tell her it had withdrawn this facility and recognised it had provided poor customer service when it was not able to find her account when she contacted it. Halifax apologised for this. Halifax also explained it no longer offers lending facilities, which a credit card is, to customers who live abroad.

Moving on to point two, Halifax said it was disappointed to hear of the difficulties Ms Y had described in calling it. It advised she could call a number on the back of her bank card from a landline and ask the international operator to reverse the call charges to Halifax in the future.

Regarding point three, Halifax said it had listened to the call on 14 May and was satisfied Ms Y was the caller who asked for her debit card to be cancelled. Halifax explained as part of its investigation it had listened to other calls made by Ms Y and was satisfied her voice matched the call on 14 May.

Halifax said the payment which left her account on 15 May was likely to have been made a few days before. Halifax explained it was not unusual for card payments to take some time to go through the system and debit an account, even if the card had been cancelled. Halifax looked into this payment as part of the investigation and said their records show this payment was authorised by Ms Y on 10 May 2024, several days before the card was cancelled.

Halifax accepted it had taken too long for a replacement card to reach Ms Y. Halifax said an error had occurred with the address which meant Ms Y's debit card was not delivered and was returned to Halifax. Halifax accepted Ms Y didn't have access to a debit card for 'weeks'.

Moving on to point four, Halifax explained statements are usually only generated after 25 transactions occur on an account. Halifax said there were not enough transactions on Ms Y's account to generate monthly statements, but Ms Y could request copy statements by calling it.

Halifax apologised for the mistakes and issues above and offered a total of £700 compensation for the distress and inconvenience caused by them.

Our investigator recognised Halifax had made some mistakes, which had caused Ms Y distress and inconvenience. After investigating the circumstances, our investigator thought Halifax had done enough by apologising and paying compensation.

As Ms Y has rejected our investigators recommendation, her complaint has been passed to me to make 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.

Ms Y contacted our service wishing to make further complaints regarding Halifax, both during our investigation and following our investigator's recommendation. As our investigator has explained, our service can only look at complaints after they have been investigated by Halifax first.

I have therefore focused this final decision on the only issues I can consider, which are those Halifax has had time to consider and has responded to.

I appreciate how strongly Ms Y feels about her complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Credit card

Halifax explained it added a temporary interest freeze on Ms Y's credit card in June 2023. It wrote to Ms Y in July 2023, explaining it had reduced her credit card limit to £500. Halifax said it had decided to do this following a review as it was concerned Ms Y may find it difficult to repay the amount her card had previously been set to. Having considered the letter, I think it is clear, offered assistance and contact details to discuss the decision. I do note the

statements I have seen suggest Ms Y had a previous credit limit of £8,000, not the £5,000 as quoted in this letter.

Halifax ultimately decided to withdraw the credit card account in October 2023. The contact notes do not show any communication with Ms Y. Having listened to calls between Halifax and Ms Y it is clear she did not know the facility had been withdrawn. Ms Y contacted Halifax in May 2024 to enquire about her credit card, Halifax told her it had been withdrawn.

Ms Y's complaint has focused on the communication of the withdrawal of her credit card facility. Halifax has accepted it failed to tell Ms Y it withdrew this facility and that it should have done this. I therefore uphold Ms Y's complaint about this matter.

Whether to offer, or continue to offer, banking products to customers is ultimately a business decision the bank is entitled to take provided it is fair and not discriminatory. Our service accepts such decisions are often commercially sensitive and based on the individual business's appetite for risk. I therefore do not think, on balance, Halifax have acted unfairly or unreasonably in withdrawing Ms Y's credit card.

I can see from the contact notes provided to our service, Halifax were aware from at least December 2020 Ms Y was '*living abroad*'. Halifax states on its website, to be eligible for a Halifax credit card the customer must be a resident of the UK. This is not unusual for UK based banks, who often require UK residency as part of their criteria for banking and credit products.

I am satisfied from the evidence I have seen Ms Y is no longer a permanent resident of the UK. She explained to our service she moved abroad in 2019, therefore this would not appear on balance to be a temporary situation. I'm satisfied she does not currently meet the requirement for a new credit card with Halifax.

Call costs

I have considered this part of Ms Y complaint and broadly agree with our investigator's recommendation. I can see Ms Y spent a considerable amount of time on the telephone to Halifax from the call logs our service has been provided with. However, I can also see some of the calls Ms Y made needed intervention by different departments, meaning she had to be passed to other departments.

I have not been able to substantiate some of the more specific claims from the evidence I have seen, for example, I have not seen any evidence Ms Y had to wait 90 minutes on a call, as she claimed.

Having listened to some of the calls I am satisfied that the Halifax advisers were generally courteous and tried to assist Ms Y as best as they could. I do note some of the issues Ms Y raised were not issues Halifax could help with, I think appropriate signposting was provided in most of these circumstances.

I do appreciate how upset Ms Y became during some of the telephone calls, and some of this signposting may have been frustrating as she has explained she had difficulties with some local services in the country she now lives in.

In terms of the call costs, this is not something Halifax has control over. I Have not seen any evidence Ms Y raised this issue with Halifax during the calls I have listened to, but I am pleased Halifax have now provided a solution to this issue by explaining how Ms Y can contact them without incurring these costs in future. I think this is a fair and reasonable solution in the circumstances.

Having considered the evidence carefully, for the reasons I have given, I do not uphold this part of Ms Y's complaint.

Debit card

I have listened to the telephone call Halifax provided our service with from 14 May 2024. I have also listened to other undisputed calls made by Ms Y to Halifax and am satisfied it was Ms Y who called Halifax.

The disputed call was made to Halifax credit card fraud team. Ms Y explained she hadn't used her credit card for a long time and said now needed to. She also said she needed to report fraud on her debit card and said she knew who was doing it, naming the individual Ms Y has done throughout her contact with our service.

Ms Y gave various details and information, such as where she lived and payments into her account which, I am satisfied, further corroborates it was her making the call. She then went into detail about a transaction she had tried to make on a German website.

She confirmed she had made a payment to this merchant on 10 May, explaining what the amount was and what she had purchased. Ms Y then seemed confused as to why this transaction had occurred on her Halifax card. Ms Y she thought she hadn't used her 'British' (Halifax) card, but also said she doesn't have a good memory. Ms Y explained she struggled with short term memory but when she checked confirmed she had written the purchase down in her diary so was then satisfied it was genuine.

Ms Y then explained she was concerned there had been fraud on her account. Halifax suggested cancelling her debit card, in response Ms Y said she *'yeah okay cancel my card'*. Ms Y then explained the post often took a long time accepting it would take a couple of weeks for the new card to arrive.

Having listened to this call I am satisfied Ms Y agreed to cancel her debit card during this call. I am also satisfied Ms Y knew what the disputed transaction was for, explaining the product she had purchased on 10 May and that she had kept a record in her diary of this. I therefore do not uphold her complaint regarding these issues.

This leaves the delay in issuing the debit card. The evidence suggests Ms Y did not receive her new debit card until July 2024, meaning she was without her card for a period of two months.

Halifax has explained it sent two cards before the one Ms Y received, explaining the address used did not have the country included in it. I am persuaded this is possibly why these cards did not reach her.

Having listened to the phone calls, I accept Ms Y is concerned about whether her address was altered, indicating there was a sinister motivation for this. Having considered the comments Ms Y has made during the various conversations she has had with Halifax, and the evidence presented by Halifax, that this was a mistake, I think the accusations Ms Y has made are unlikely.

To summarise, Halifax has accepted it made mistakes with the address when sending the debit card to Ms Y. It has accepted it failed to communicate with her in June, apparently placing only one call which did not connect, when the card was first returned and simply sending it out again. This was poor service which the evidence shows clearly caused Ms Y distress and inconvenience due to the delay in receiving her debit card.

Halifax has accepted its service fell below the standards it expects here, I therefore uphold this part of Ms Y's complaint.

Statements

Ms Y has complained she hasn't received statements. I can see Halifax told to Ms Y why it had not sent her monthly statements explaining the low usage of her account means they are not triggered. Halifax clarified it only sends regular statements out if 25 transactions occur, I have examined Ms Y's statements for her current account with Halifax between December 2023 and July 2024. Ms Y only has between three and seven transactions per

calendar month between these periods, which suggests she is not using her account enough to automatically generate postal statements.

Halifax has said it does not have a mechanism to override this. Whilst I appreciate this is disappointing, Halifax has said Ms Y can contact it and request statements as and when she requires them. Halifax has also discussed the option of online banking, which Ms Y has said she does not want to use.

I understand this may appear convoluted, but it appears Halifax have offered alternatives and have provided a process for Ms Y to obtain statements. In the circumstances I recognise Ms Y has said she wants our service to override Halifax's decision here. I have considered this and to be clear, I do not think our service is able to interfere with what is essentially a business decision Halifax are entitled to make in this circumstance.

I appreciate this will be disappointing to Ms Y but I do not uphold this part of her complaint.

Putting things right

Having listened to the calls and read Ms Y's correspondence, I have seen and heard the impact these issues have had on Ms Y. Whilst I have not been able to uphold every aspect of her complaint, I do appreciate this has been an upsetting series of events for her. I have upheld some of the main issues she has complained about and I hope I have explained in sufficient detail the reasons for my decision.

Having considered this complaint carefully, I broadly agree with our investigator's recommendation. I am persuaded a fair and reasonable compensation award for the impact of the distress and inconvenience is £700. I appreciate Ms Y disagrees, but I think on balance this award is in line with what I would expect in the circumstances and is within the general framework our service uses when assessing compensation amounts, details of which are available on our website.

My final decision

For the reasons I have given, I uphold Ms Y's complaint. If it has not already done so, I require The Royal Bank of Scotland trading as Halifax to pay Ms Y a total of £700 for the distress and inconvenience it has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Y to accept or reject my decision before 13 December 2024.

Gareth Jones
Ombudsman