

The complaint

Mr W complains that Bank of Scotland plc trading as Halifax treated him unfairly when he contacted it about being in financial difficulty.

What happened

Mr W has explained that following his wife contacting Halifax about her financial difficulties, he started to also experience difficulties in meeting his commitments. He says his wife's account was defaulted and he started to receive texts and calls from the debt collection company even though his mobile number had only ever been linked to his Halifax account and not his wife's. As Mr W was also experiencing financial difficulties, he contacted Halifax through the Halifax app. He says he completed a budget and discovered he could only afford to pay £10 a month towards his credit card debt. He says that despite completing the budget he received no response from Halifax and was still expected to make his normal payments. Mr W says that he didn't do this and instead paid the £10 and raised a complaint.

Halifax sent Mr W a final response letter dated 10 May 2023. It noted that Mr W had experienced issues with its App when he tried to complete a budget form and offered to pay him £40 because of this. It said it wasn't aware of any wide issues with its online help but understood the frustration Mr W had been caused. It noted Mr W's comment that he had tried to make it aware of his financial difficulties but declined this part of his complaint. Halifax acknowledged Mr W's financial circumstances and said a 30-day hold was placed on his credit card account from 28 April 2023.

Mr W says that in May 2023, he called Halifax again to explain his situation (and that of his wife and the impact this had on him). He says that despite a long call on which personal details were discussed he was then told his account would be defaulted and the debt passed to another organisation.

Mr W referred his complaint to this service. He said that Halifax's response just blamed the app and offered him £40 compensation. He said it didn't address his mobile number being used for his wife's accounts and the distress, anxiety and inconvenience he had been caused.

Our investigator didn't uphold this complaint. He didn't think that Halifax had treated Mr W unfairly.

Mr W didn't agree with our investigator's view and asked for his case to be passed to 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.

This decision is about the service Mr W received when he contacted Halifax about his financial difficulties. The complaints about how Mr W's wife was treated are being dealt with

separately.

I am sorry to hear of the difficult time Mr W has been experiencing and while this decision focuses on how Halifax has treated Mr W I understand that as his wife's carer he will have been under additional stress in regard to the overall experience. That said, I can only uphold this complaint if I am satisfied that Halifax has done something wrong or treated Mr W unfairly, and not done enough to address this.

Mr W was provided with a credit card by Halifax. He has explained that he started to experience financial difficulties and completed the online budget. In his complaint he said he had experienced technical problems in this process and he was offered £40 compensation which I find reasonable for this specific issue.

Mr W says that after completing the budget, it showed he could only afford to make monthly payments of £10 towards his credit card debt and I can see that he made payments of £10 in March and April 2023. Because Mr W wasn't making the minimum payment required on his credit card, he was sent letters from Halifax about missed payments. These letters explained the impact missed payments could have and how to get support.

Mr W has said that Halifax was required to show forbearance and I agree with this. In this case, when Mr W raised his complaint in March 2023, he said he had struggled to get hold of Halifax. I do not have evidence that Mr W wasn't able to contact Halifax about his financial circumstances at this time and I note that in response to the issues Mr W had raised, Halifax placed a 30 day hold on his account on 28 April 2023. Mr W was informed of this in the final response letter and also sent a separate letter confirming the hold period. I find this a reasonable response at that time.

On 31 May 2023, Mr W contacted Halifax and explained that his circumstances hadn't changed, and he still couldn't afford the minimum repayments on his credit card. Given Mr W's circumstances he was transferred to a specialist team. I can see from the call notes that Mr W provided lots of information about his personal and financial circumstances and that he completed a budget which showed he was overcommitted. While I appreciate Mr W felt that more should have been done to help him at this point, given the information he had provided showed he couldn't afford his repayments and that his financial situation wasn't likely to improve in the near future, I do not find that Halifax was wrong to say that the only option was for Mr W's account to be closed. Mr W said he wanted time to consider this and the call disconnected. A call back was attempted but this was unsuccessful.

Following the call in May 2023, Mr W was sent letters about the status of his account and asked to get in touch. He was provided with information about what he needed to do to prevent further action being taken. Given Mr W's circumstances I can appreciate that he was likely unable to make the repayments being requested, but as he wasn't making payments towards his debt and noting the information that he had provided, I do not find I can say Halifax was wrong to default Mr W's account. This would then stop further interest and charges being applied. Therefore, I do not find that Halifax did anything wrong by informing Mr W about the risk of default and then taking this action.

In conclusion, I know my decision will come as a disappointment to Mr W, and I do not underestimate the stress and anxiety he has been caused while experiencing financial difficulties, but in this case I do not require Halifax to take any further action.

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 Mr W to accept or reject my decision before 13 February 2024.

Jane Archer
Ombudsman