

The complaint

Mr A complains Bank of Scotland plc trading as Halifax closed his credit card account without telling him it was going to do so.

What happened

Mr A held a credit card account with Halifax which had been opened in January 2017. The last purchase Mr A made using the card, according to Halifax's records, was in August 2020.

Halifax sent Mr A a letter in November 2022. It said if Mr A hadn't contacted it by February 2023 to tell it the account was still needed, or carried out a transaction using the card, the account would be closed. No contact was made by the specified date and no transaction completed so Halifax closed Mr A's credit card account.

Mr A telephoned Halifax in July 2023 to request a new credit card as he'd misplaced the old one. Halifax said a new credit card would be ordered but, two weeks later, the new card hadn't arrived whereas a debit card ordered separately had been. Halifax investigated whilst Mr A was on the phone and then told Mr A that the credit card account had been closed some months previously. Mr A told Halifax he hadn't had any notification of the closure and requested the credit card account was re-opened and compensation paid. Halifax told Mr A the old credit card account couldn't be re-opened but he was free to apply for a new card account if he wished. Mr A decided not to do this.

In its final answer to Mr A's complaint, Halifax apologised that he was given incorrect information in the first phone call on 11 July 2023. It offered, and paid, £40 as compensation.

Mr A was unhappy with this resolution and brought his complaint to this service.

One of our investigators looked into the complaint. She didn't feel Halifax had done anything wrong. She said she'd seen evidence that a letter had been produced and also a copy of the template letter used to notify consumers in this situation. She concluded Halifax had acted in line with the terms outlined in the letter and therefore Halifax hadn't acted unfairly. She felt the compensation paid was fair for the inconvenience caused. Mr A disagreed and asked that an ombudsman review the complaint.

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'm not upholding the complaint.

I realise that this situation will have been frustrating for Mr A. But Halifax is entitled to decide who it continues to do business with and it can close accounts, in line with the relevant terms and conditions.

Here, Halifax identified that Mr A hadn't used his credit card for a purchase for some time.

Whilst I don't have a copy of the actual letter sent to Mr A, I've seen internal records which show a letter was produced, and I've also seen a copy of the template letter used. Based on this, I'm satisfied Halifax did attempt to contact Mr A. The information I have suggests Mr A had until 8 February 2023 to either contact Halifax, or use the card for a transaction.

Mr A didn't get in touch with Halifax until July 2023 when he told it he'd misplaced his credit card – which is why he needed a new one. I'm satisfied therefore that the deadline set by Halifax wasn't met. It follows that I consider Halifax acted as it said it would do in its letter and so I don't think it treated Mr A unfairly in closing the account when it did.

Mr A has said he never received the letter from Halifax. Halifax sent the letter using the details it had on file and Mr A has confirmed that a debit card ordered separately had been received to the same address. I can't hold Halifax responsible if a letter isn't delivered – it can only ensure the letter is produced and sent to the correct address. After that, if a letter doesn't arrive, that's the responsibility of the delivery company. Here, Halifax sent the letter and the necessary actions it asked Mr A to take weren't completed for some time. So, I think it was fair, in the absence of any action here, that it decided to close the account as it said it would.

When Mr A contacted Halifax for the first time, he was given incorrect information and was told a new card would be sent out to him. That couldn't have happened because the account had been closed some months earlier. Halifax has acknowledged its error and paid £40 in compensation. Mr A feels the distress and inconvenience he's suffered warrants a larger award. I've considered this carefully. Halifax is compensating Mr A for being under a misapprehension for two weeks. He thought a card had been ordered and was in the post to him, whereas it wasn't. I appreciate this was frustrating, but I think the award Halifax has made is fair and is in line with what I'd consider awarding in similar circumstances.

So, although I understand Mr A will be disappointed, I'm not asking Halifax to do anything further.

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 A to accept or reject my decision before 17 January 2024.

Stephen Farmer
Ombudsman