

The complaint

Mrs B is unhappy with several aspects of the service she received from Bank of Scotland plc, trading as Halifax, surrounding the closure of a child's account she held with them.

What happened

Mrs B had three children's accounts with Halifax, but in November 2022 she noticed that one of the accounts was no longer visible to her. Mrs B asked Halifax about this and was told that she'd closed the account herself in 2021. Mrs B hadn't closed the account herself and she wasn't happy with the service she'd received from the Halifax staff member she'd spoken with. So, she raised a complaint.

Halifax responded to Mrs B and explained that they'd closed the account in September 2021 after notifying Mrs B in writing that the account was considered as dormant, and that they'd transferred the balance of the account – £23.27 – to another of Mrs B's accounts at that time. And Halifax confirmed that they didn't feel they acted unfairly by doing so.

However, Halifax did acknowledge that Mrs B hadn't received the standard of service she was entitled to expect when questioning this matter with them, including regarding how she'd been spoken to by their staff member. Halifax apologised to Mrs B for this and made a payment of £70 to her as compensation for any trouble and upset this may have caused. Mrs B 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 felt the response to Mrs B's complaint that Halifax had issued – including the explanation of what had happened and the apology and payment of £70 compensation for the service issues – already represented a fair outcome to what had happened. Mrs B 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Halifax have acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

I feel that there are two aspects to this complaint that are largely separate from one another. The first is whether it was fair for Halifax to close Mrs B's account in September 2021 as they did. And the second is regarding the service Mrs B received from Halifax when she contacted them about the account in November 2022.

Halifax have explained that Mrs B's account was closed in September 2021 because of their dormancy account monitoring process. This is a process whereby Halifax, like many banks, consider accounts as being dormant when certain criteria are met. In Halifax's case, they consider an account as being potentially dormant when the account hasn't been used for 24 months and when the account has a balance of less than £25.

Because Mrs B's account met these criteria, Halifax sent a templated letter to her which explained that her account was considered as being dormant and would be closed unless Mrs B contacted them to request that it stayed open before a set date.

Unfortunately, Halifax haven't been able to evidence exactly when the templated letter was sent to Mrs B. But given that Halifax's process here involves the sending of a templated letter, I feel that it's more likely than not that one was sent, and that it was sent to Mrs B sometime before 20 July 2021. This is because Mrs B made a transfer into the account of £5 on that date – as well as a further £10 credit on 23 September – meaning that from 20 July, the account no longer met the criteria as being unused for 24 months for Halifax's account dormancy process to begin.

However, Halifax have confirmed that once the account dormancy process has begun, as it did, small credits to the account such as Mrs B made wouldn't be sufficient to stop the closure of the account. Instead, as per the account dormancy letter, Mrs B would have needed to contact Halifax and specifically confirm to them that she wanted the account to remain open. But Halifax have no record of being contacted by Mrs B as was needed, and so I don't feel that Halifax acted unfairly by closing the account and transferring the balance of £23.27 to another of Mrs B's accounts as they did.

Mrs B may explain that she didn't receive any such account dormancy letter from Halifax in 2021 and may argue that, while I may feel it's likely that Halifax did send such a letter, there's no evidence which confirms that Halifax did actually do so. But the sending of templated letters isn't always recorded by businesses such as Halifax, and I do feel that it's more likely than not that one was sent.

Additionally, even if Halifax didn't send a letter, I don't feel that Mrs B has incurred any loss or detriment here such that the closure of the account should be considered unfair. I say this because the account clearly wasn't used by Mrs B for a prolonged period and only had a balance of £23.27 when it was closed – £15 of which had been credited to the account by Mrs B in the previous few months.

Halifax have been able to demonstrate to my satisfaction that this £23.27 balance was transferred by them to another of Mrs B's accounts on 29 September 2021. And, if Mrs B would like an account like the one that was closed in September 2021, I don't feel that it's unfair that she should be asked to apply for a new account of a similar type at this time.

In regard to the service aspect of Mrs B's complaint, Halifax have acknowledged that Mrs B didn't receive an acceptable standard of service from the agent she spoke with in November 2022, including that she wasn't given correct information as to why her account had been closed and in how their agent spoke to her. And Halifax have apologised to Mrs B for this and have made a payment of £70 to her as compensation for any upset or inconvenience this poor service may have caused.

Matters of compensation can be subjective, and I'm aware that Mrs B feels a much higher compensation amount should be merited in this instance. But, having considered what happened, I feel that the £70 already paid to Mrs B by Halifax is a fair compensation amount here, and I can confirm it's commensurate with what I may have instructed Halifax to pay to Mrs B in this regard, had they not already done so.

In taking this position I've considered the poor service that Mrs B experienced when speaking with Halifax's agent and the impact it had on her both emotionally and in how she had to further chase this matter with Halifax. And I've considered these events with the broad framework which this service uses to assess compensation amounts for upset and inconvenience in mind – further details of which can be found on this services website. And, having done so, I feel that £70 is a fair compensation amount here.

All of which means that I feel the response that Halifax have already issued to Mrs B's complaint – including the explanation as to why her account was closed and the payment of £70 compensation for the service issues she experienced – does represent a fair outcome to what's happened here. And as such, I won't be upholding this complaint or instructing Halifax to do anything more.

I realise this won't be the outcome Mrs B was wanting, but I hope she'll understand, given what 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 Mrs B to accept or reject my decision before 28 July 2023.

Paul Cooper
Ombudsman