

## **The complaint**

Mr M has complained that Bank of Scotland trading as Halifax, treated him unfairly by sending him a cheque and closing his account after his two year fixed saver account matured.

## **What happened**

In April 2020, Halifax sent Mr M a letter explaining that his saver account was due to expire the following month, so he needed to provide his maturity instructions.

In response, Mr M completed a form which said he wanted the account to be closed and the funds transferred to a different account provider. However, as Mr M didn't provide a valid sort code and account number Halifax weren't able to make the transfer. They informed Mr M of this by letter and enclosed a cheque for the balance instead. On the same day, they also sent him a letter that explained his account had automatically been changed to an instant saver, as they hadn't received any instructions from him. This happened as this letter was automatically generated, before Halifax reviewed his maturity instructions a few hours later.

Mr M then complained to Halifax as he was confused by their correspondence and felt they should have asked him to clarify the transfer details, rather than simply sending him a cheque. He also explained that he was only making essential journeys at the time. So, he couldn't cash the cheque or get access to the funds. He was also of the mistaken belief that his account was an ISA instead of a fixed saver, and said he was unhappy he was going to miss out on tax saving benefits as the direct transfer he requested hadn't been carried out.

Unfortunately, when Halifax responded to the complaint, they accidentally referred to Mr M's account as an ISA. They also explained he couldn't use the maturity form to arrange for an ISA to ISA transfer to have taken place, as the new provider would have needed to have contacted them to arrange this before the account was closed. They also said they didn't do anything wrong by sending him a cheque as they followed their internal policy when doing so, and he hadn't given them a valid sort code and account number to enable them to have transferred the funds to a different account. They did however, pay Mr M £55 compensation to say sorry for the delay in responding to his correspondence and to cover his postage costs.

Our investigator didn't think Halifax had done anything wrong by sending Mr M a cheque. He said Mr M hadn't completed the transfer form correctly, and Halifax had acted reasonably by following their internal procedures. He also issued a further view, which said he thought Mr M could reasonably have arranged for the cheque to be cashed by posting it to his new account provider. He also highlighted the error Halifax had made in the final response letter – referring to the account as an ISA when it wasn't – and said this didn't change his opinion.

As Mr M didn't think our investigator's conclusions were fair, I've considered the complaint afresh.

## **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.

Mr M has raised several points in response to our investigator's findings. I have carefully reviewed each of these, but I won't address all of them in my decision. I'll focus on the points I think are central to the outcome of the complaint. I would also like to reassure Mr M and Halifax that although I have only summarised the background and arguments in the section above, I have read and considered everything provided about this complaint in its entirety.

I appreciate Mr M was caused some confusion, as on the same day Halifax sent him confirmation his account had been closed, they sent him a letter that said his account had automatically been transferred to an instant saver account. That said, I think Mr M should reasonably have been able to establish, that the letter confirming his account had been closed superseded the one which explained it had been transferred. I say this as the letter that explained his account had been changed to an instant saver also said this was due to the fact, they hadn't received any instructions from him. He was also in receipt of the cheque for the total balance of the account and had written confirmation that it had been closed.

Halifax had an obligation to make Mr M aware of his options when his account matured, and they also needed to follow his instructions when he asked them to close the account. I don't think they acted unreasonably by sending him a cheque in response to his instructions, as they established, they couldn't complete the requested transfer, and this was an efficient alternative to provide Mr M access to his funds.

I appreciate Mr M feels Halifax should update their policies, so they ask their customers to clarify the details, if they are unsure of their transfer instructions, or a valid account and sort code aren't provided. But I don't think their decision not to do so here was unreasonable. Further correspondence exchanges may have delayed Mr M accessing his funds, and the closure of his account. I also haven't seen any evidence which suggests Mr M tried to rectify the problem, by later providing a valid account number and sort code. If he'd done this, it's possible Halifax may still have refused to cancel the cheque, but this would at least have meant they had all the information they needed. I'm also unable to direct Halifax to change any of their internal policies or procedures as our service isn't a regulator, and that doesn't form part of my role.

I also think Mr M could reasonably have arranged for his cheque to be cashed by sending it to his new provider in the post, and this would have avoided the need for him to make a personal visit. I appreciate Mr M wasn't making any non-essential journeys, and this would have undoubtedly been a difficult time for him. However, as he was corresponding with Halifax via letter, I think he could also reasonably have posted the cheque to his preferred account provider to be cashed. I've also not seen any evidence which suggests the cheque wouldn't have been valid or accepted if he'd done this promptly. So, I don't think Halifax are responsible for any interest Mr M may have unfortunately lost out on, due to his decision not to cash the cheque.

Mr M has said he believes Halifax may have treated his account as an ISA because of their error in the final response letter, but I've not seen any evidence to suggest this was the case. All the correspondence Halifax sent Mr M about his account prior to the final response, correctly referred to it as a two year fixed saver, so I don't think the error in the response, was connected to the way they closed the account.

I do appreciate Mr M's frustration that the error in the final response didn't come to light any sooner than it did. Even if Mr M's position was impacted by his mistaken belief his account was an ISA, I would still reasonably have expected him to have mitigated his loss by cashing the cheque, so the balance could at least start accruing some interest. I also hope Mr M has

taken some solace from the fact he hasn't missed out on any tax saving benefits, due to the lack of direct transfer, as his account was never an ISA in the first place.

As Mr M is now unlikely to be able to cash the cheque due to the time that has passed, Halifax should arrange for this payment to be re-issued to him. I'm satisfied Halifax doesn't need to do anything more than this, as they didn't act unreasonably by sending him a cheque in response to his partially completed maturity form.

Halifax have also paid Mr M £55 compensation to say sorry for the delay in responding to his correspondence. I think this amount is fair as many businesses were unfortunately experiencing delays of this nature, due to the unprecedented effects of the worldwide pandemic. Having considered everything in the round, I also think this amount fairly compensates Mr M for any confusion the error in the final response may have caused him.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 July 2021.

Claire Greene  
**Ombudsman**