

The complaint

Mr R complained that Halifax Share Dealing Limited ('HSDL') took too long to return his money after its security checks blocked an online request he had made to withdraw funds. He was also unhappy about delays he experienced trying to sort things out on the phone with HSDL. To put things right he wants more compensation than HSDL has offered to pay.

What happened

On Friday 30 October 2020 Mr R made online withdrawals totalling £85,600 from two of his accounts held with HSDL. This triggered HSDL's security checks which flagged up the need to verify the transactions and on Monday 2 November 2020 (sometime shortly after 10.29am) HSDL sent a text message and email to Mr R alerting him and asking him to make contact.

It took Mr R a number of attempts to speak to someone at HSDL. Mr R wasn't able to get through on the phone to HSDL until late in the day on Monday 2 November 2020. HSDL attempted to verify the withdrawal with Mr R. HSDL couldn't match up the information Mr R supplied with account details it had recorded as some of the stored information was out of date. It was arranged that Mr R would call back in the morning when the office re-opened and someone could help sort this out. During the next phone call the following morning, it became clear that it was too late to authorise the withdrawals as HSDL had by then sent a 'BACS' recall instruction. BACS is an electronic system used by banks to move money directly between accounts. This effectively overrode Mr R's transfer instruction and it left Mr R having to wait for the withdrawals that he had initiated to be returned to his account.

A series of phone calls took place between HSDL and Mr R as he needed the money to complete a property purchase on 12 November 2020.

The money was returned to Mr R on 23 November 2020. I understand this delay caused Mr R to miss out on the planned property purchase.

When Mr R complained to HSDL about what happened, it didn't agree that it had made any error in the way it had handled his money. It explained why security concerns had been flagged up on the account when verification checks were done and said the BACS recall process was outside its control. HSDL said that it applied the funds to his account at the earliest opportunity. So it didn't uphold this part of his complaint. But HSDL did apologise for its customer service during phone calls with Mr R on 2 November 2020 and 3 November 2020 and by way of redress, offered him £200 compensation.

Mr R didn't feel this offer went far enough to put things right and so he brought his complaint to us.

After carefully looking into what happened, our investigator didn't think that HSDL had treated Mr R unfairly or unreasonably in relation to the withdrawal issue. He said HSDL had acted within the account terms and conditions and correctly followed its processes. He said the timescale for the BACS recall wasn't something HSDL could control or guarantee. So our investigator didn't uphold this part of Mr R's complaint. But he felt that £200 wasn't enough

to reflect the poor service Mr R had experienced in his dealings with HSDL regarding this matter and recommended HSDL should pay £500 compensation.

Mr R has said he accepts our investigator's findings. HSDL has disagreed with the amount of compensation our investigator has recommended. It mainly said that Mr R was informed correctly during the phone call on 3 November 2020 that the transaction was now the subject of a BACS recall and he was given the generally accepted timescale expectation associated with that process of ten working days. HSDL said that the frequency of Mr R's contacts after that shouldn't form the basis for assessing redress and it was satisfied that overall £200 was fair and reasonable to settle the complaint.

As the complaint hasn't been resolved informally, it comes to me to decide.

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.

When he first raised this matter, Mr R's main complaint centred on his frustration that the way things worked at HSDL meant his withdrawal request effectively moved into the banking system before its security procedures flagged up any risk potential. His experience at another bank had been different – he said his payment on that occasion had been 'held' until security checks were completed and the money was only then released. So Mr R was concerned that HSDL hadn't properly followed its own procedures and that its system wasn't fit for purpose.

Our investigator explained in some detail in his view letter why he didn't feel he could fairly say that HSDL had done anything wrong in connection with the way it had processed Mr R's withdrawal requests and the BACS recall. He explained that the Financial Ombudsman Service doesn't have authority to require HSDL to change its internal procedures. We could look at whether HSDL had correctly followed its own procedures and acted within the account terms and conditions on this occasion – and our investigator was satisfied that it had.

Mr R hasn't objected to what our investigator said with respect to not upholding this part of his complaint so I don't think I need to say more about this except that I've reviewed the whole complaint and independently reached the same conclusion as our investigator. So, I'm not upholding this part of Mr R's complaint. But, like our investigator, I don't think that £200 compensation is enough to fairly compensate Mr R for the way HSDL dealt with him on the phone. So I have concentrated on what I think it's fair and reasonable to expect HSDL to do to put things right.

In its final response letter, HSDL said it was clear that its customer service fell short of the levels it expected. When Mr R called on 2 November 2020, he waited over one and a half hours to speak to an agent, by which time the department that needed to lift the restriction on his account had closed for the day. HSDL said insufficient notes were left on his account so the agent was also unaware that the restriction related to a BACS recall. It acknowledged that when Mr R called back the next morning (when he said he had been in the queue for a further hour before being connected), he was promised a call back and further information in answer to the questions he had raised about why the restriction was placed on his account and what prompted the BACS recall. HSDL acknowledged that return call didn't happen – which led to further calls from Mr R.

I've carefully listened to the call recordings HSDL has provided and whilst I've taken into account what HSDL has said about how much redress it feels is fair, I respectfully take a

different view. I say this because I don't think £200 is sufficient to reflect the understandable degree of anxiety and stress it is evident that Mr R experienced as a result of the way HSDL handled his calls. HSDL has explained this was a period when it was particularly busy and its service was over-stretched. But HSDL has admitted failings on its part. And it is clear to me why Mr R felt he had to keep pressing for information. From listening to the calls, it sounds like Mr R only found out information and was updated when he initiated phone calls – which was frustrating and time consuming for him. And whilst the timescale for the BACS recall may have been outside HSDL's control, given what was at stake so far as Mr R was concerned, bearing in mind this was related to a property purchase, I think £500 better reflects that this was a particularly stressful situation that HSDL could have handled better.

Putting things right

HSDL should pay an amount of £500 compensation to Mr R.

My final decision

For these reasons, I uphold Mr R's complaint in part and direct Halifax Share Dealing Limited to pay Mr R £500 as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 October 2022.

Susan Webb
Ombudsman