

## **The complaint**

Ms W complains that she received poor customer service from Bank of Scotland plc (trading as Halifax) when trying to locate a refund from a third party.

## **What happened**

Ms W was told by a third-party company that she would receive a refund of 7 months' membership fees as a gesture of goodwill. It sent the refund using her previous Halifax debit card number, which was no longer active. When the funds didn't appear in her account, Ms W contacted Halifax. The call handler took her details and started the process of trying to locate the missing refund, which Ms W thought was £63.92. Ms W was told to call back if she had heard nothing in a few days.

Ms W received a text a few days later which asked her to call Halifax. She feels that the call handler was rude during the call and that she was put on trial. When she asked to complain, the call handler spoke to his manager and afterwards, offered to refund the £63.92 as a gesture of goodwill, which Ms W accepted.

Ms W then called Halifax later that day and raised a complaint about the call handler and how he had dealt with the situation. The member of staff apologized to Ms W for how she had been treated and offered to refund her telephone costs totaling £11 and a further £40 for any distress and inconvenience the matter had caused her. Ms W accepted the offer and was told she would receive a final response letter in the post.

Around two weeks later, Ms W hadn't received the final response letter so called our service to raise a complaint. She said that she wanted an apology, further compensation and said she was unhappy that a dispute has to be raised when a refund is sent to an expired debit card number. She feels Halifax is the only financial institution that does this and it has made this change without telling people, and she has concerns this will happen to her or other people she knows in the future.

Our investigator looked into the complaint and felt that there had been some confusion on Halifax's part during the call that Ms W was unhappy with. And he felt a complaint could have been avoided if Halifax had understood the nature of the transaction or if better notes had been kept on file. So, he thought Ms W should receive an additional £100 compensation. Halifax agreed with this bringing the total paid to Ms W to £64 for the refund, £11 for the call costs and £140 for the distress and inconvenience caused.

What followed was a misunderstanding between the investigator and Ms W. The investigator thought that Ms G was accepting the additional compensation, whilst at the same time raising additional complaint points about the way in which Halifax processes refunds that are sent to expired debit card numbers, which she was unhappy with. However Ms W did not want to accept the additional £100 as a way to resolve her complaint and instead wanted further compensation as well as an answer to why Halifax do not return refunds using the account number and sort code, not just the expired debit card number.

As an informal agreement could not be reached, the complaint has been passed to me 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 think the additional compensation that Halifax has agreed to pay is a fair way to resolve the complaint, and I don't think it needs to do more. I'll explain why in more detail.

Ms W's complaint is two-fold, the customer service she received whilst trying to receive the refund from the third party, and the way in which Halifax processes its refunds.

I've firstly focused on the customer service she received. Having listened to the telephone calls Ms W had with Halifax, I agree that during the phone call that she had with the card disputes team, there was confusion on Halifax's part. Had better notes been kept from her initial telephone call about the issue on 27 September 2021, I think a lot of the confusion could have been avoided. It also should have been clear that Ms W had received a text asking her to call because Halifax could not locate the missing refund using just the information she had provided in the initial call. But this wasn't clearly communicated to her which led to increasing tension between both parties during the telephone call on 27 September.

I recognize that during the phone call with the card disputes team, despite not having enough information to locate the missing refund, they did reimburse her with the rounded up £64 as a gesture of goodwill. So Ms W therefore hasn't lost out financially as a result of any miscommunication with Halifax. And I can see that when Ms W complained later that day about the customer service she received, she promptly received an apology, a refund of call costs and £40 compensation. Which I think was reasonable in the circumstances. Our investigator has then recommended the total compensation be increased to £140, which the business has accepted. And I think this is more than reasonable in the circumstances to compensate Ms W for any upset she was caused by the poor customer service.

Ms W is also unhappy about the way in which Halifax processes refunds that have been sent to expired debit card numbers, as she feels the only way to receive them is to arrange a call with the card disputes team and this could lead to a lot of refunds not being received by the rightful recipients.

Firstly, I'd like to clarify that it appears the only reason Ms W was asked to speak with the card disputes team is because they could not immediately locate her payment using the information she originally gave. Had Halifax received the information needed, it's likely they could have located and forwarded the funds to her account without any further contact.

Secondly, I am only able to consider each complaint on its individual merits. In this case, I think Halifax could have provided better customer service, but I think it has reimbursed Ms W with the missing funds and given compensation for her costs and any distress she was caused. While I understand Ms W may be worried that other people could face the same issue as her, my role is to look at what's fair and reasonable in the circumstances of her individual complaint. It's not for me to comment on how Halifax chooses to process its payments or about any wider implications of this.

I understand Ms W has said she does not want the additional £100 compensation that has already been recommended by the investigator and paid into her account. We would not ask Halifax to take this back now it has already been paid, so Ms W may do with it as she pleases.

### **My final decision**

For the reasons set out above, I agree with the investigator's recommendation of an additional £100 compensation for the distress and inconvenience caused. And I don't think Bank of Scotland plc needs to do anything further to remedy the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 17 August 2022.

Rebecca Norris

**Ombudsman**