

The complaint

Mr P complains that Halifax Share Dealing Limited recalled funds due to its security processes and this led to a delay and inconvenience when he was trying to purchase a car.

What happened

Mr P wanted to cash in two stocks and shares ISAs he held on Halifax's platform. He requested the sale of the assets which completed on 21 September 2020 and requested the withdrawal of the cash after. On 28 September 2020, Halifax said the withdrawal had triggered its security checks. It sent an email to Mr P asking for a response within one hour to confirm the validity of the withdrawal. Mr P didn't see his email, so by the time he called in the afternoon the BACS payment had been recalled. This meant the funds had transferred to Mr P's account but were quickly recalled.

Mr P complained about this, he was purchasing a car and was left without the funds to complete the purchase. It wasn't until 8 October 2020 that his funds were returned to him. In the interim, Mr P borrowed money from his wife – who withdrew it from her ISA – to complete the payment. His car wasn't then delivered until three weeks after the original due date and he says he had to purchase a dust cover for the car to be stored. Mr P also explained that he suffered inconvenience having to spend time sorting out the issue as well as the embarrassment.

I sent out my provisional decision on 25 July 2022. I explained that I intended to uphold this complaint as I didn't think Halifax had acted reasonably. I went on to assess the losses Mr P had incurred and concluded that Halifax should pay him £350 for the trouble and upset it caused him.

Both Halifax and Mr P said they had no additional comments to make.

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.

As neither party has provided any additional evidence or comments, my final decision remains the same as set out in my provisional decision. My reasons, set out in my provisional decision, remain the same. For clarity, these are copied below and form part of this decision.

“Security checks

Mr P was withdrawing over £100,000 from his account and it flagged up for a security check. Halifax is entitled to carry out extra checks to ensure the payment and withdrawal is legitimate and I don't think that's unreasonable. But I have concerns around the time limit it gave Mr P to respond.

Halifax gave Mr P around 59 minutes to respond to the notification that Halifax sent. But the notification was only sent by email. I don't consider this an immediate form of notification – particularly as many people don't check their emails instantaneously and there are a variety of variables, including junk mail filters, that could mean that people may not see the email. Effectively, Halifax asked for an immediate response but used a non-immediate form of communication.

Halifax has said it didn't send a text or phone Mr P. Had it done so, I think Mr P would've been able to respond within the timeframe it set. I understand it said it couldn't do its usual method of communication due to the pandemic. I've not seen evidence as to why this was, but I don't think it was reasonable to rely on a non-immediate form of communication and give such an immediate time frame. Halifax has acknowledged that because of its processes, Mr P couldn't avoid this situation and I agree. As such, Halifax needs to do something to put things right.

Mr P's losses

Mr P has explained to us the losses he considers are direct. I've made Mr P aware that we aren't looking to reimburse third party losses here. So, any inconvenience caused to the car dealership having to rearrange delivery of the car isn't something I'll be asking Halifax to pay. But Mr P made a few points he felt were direct losses caused by the issue. I'll address each of these in turn.

Mr P said he had to find the money for the car purchase from other sources. He's explained that he borrowed money from his wife – who withdrew the funds out of her own ISA. I understand this means Mr P's wife has lost her tax benefits on that sum of money, and any interest it would've attracted. But, I don't think it's reasonable for me to ask Halifax to pay for this loss. Mr P's money was in the process of being returned to him, and whilst this caused a delay, it was Mr P's choice to find that money prior to receiving his own. Borrowing his wife's money was something Mr P chose to do.

I understand Mr P felt pressure to make the full payment for the car he wanted, and I'm pleased he was still able to purchase the same car – but I don't consider it fair or reasonable for Halifax to pay the losses his wife may experience. Mr P said that he agreed to reimburse his wife the losses, so the loss is his. But as I believe it was Mr P's choice to make payment for the car prior to receiving his funds back I don't think it's fair for Halifax to pay for this. I've not seen anything to suggest Mr P had to make payment for the car prior to him receiving his funds back. I think he chose to do this as he was worried there were other buyers – but he'd already paid a holding deposit as well as other payments so I've not seen enough to say he had to borrow his wife's money, rather than wait for his funds to be returned.

Mr P has provided evidence that he purchased a dust cover for the car. I've had to think about this carefully – about whether this is something he had to purchase because of the delays. Mr P made his final payment on 5 October 2020. The car originally was supposed to be delivered on 2 October 2020 but in the end it wasn't arranged until 21 October 2020. Mr P said it was purchased to keep the car in good condition whilst it was being stored. But I can't see he ordered the dust cover until 12 October 2020. And from this email it appears the invoice was raised and the dust cover was ordered. It's unclear when it arrived. But this was something that Mr P ordered over a week after he completed the payment and I'm not persuaded it was necessary due to the delays. It's unclear how long before the car was delivered that the dust cover was used and, in any event, Mr P's car was being held by the dealership. The car itself is a very expensive and prestige vehicle, and I've not seen anything to suggest the dealership wasn't keeping it in the condition that Mr P expected it to be in. So, I'm not persuaded this car cover was a necessary consequence of the delays Mr P incurred due to his funds being recalled.

Trouble and upset

It's very clear to me that Mr P has suffered a significant impact because of Halifax's actions. I've already concluded that it wasn't reasonable to send an email and expect an immediate reply. So I've considered the impact this had on Mr P.

The car Mr P was buying wasn't an ordinary purchase. It's clear it's a lifetime achievement and something he'd managed to have the cash for. Looking through the emails between Mr P and the dealership he was making sure he could fund the purchase outright and was keen to have the car paid for by 30 September 2020. Mr P had to pay a significant sum of money to take a test drive of the car – so I think it would've caused him a great level of embarrassment when he wasn't able to pay as agreed.

I can also see Mr P sent a number of emails, as well as letters sent special delivery to try and get the matter sorted. Whilst I don't think it would be fair to compensate Mr P an hourly rate for the time he spent resolving the issue, I do think it's an indication as to how upset the issue made him. Halifax has offered £200 compensation. It said that this is the general amount it would award. But I need to consider this complaint individually. And I don't think £200 is enough compensation for the trouble and upset Mr P has experienced.

Mr P was faced with not being able to pay for something on the date he agreed, he's had to rearrange delivery – receiving his car three weeks later than planned, and he's experienced incredible frustration in trying to understand why his money was transferred to his bank account and then recalled. It's important to note that Halifax didn't stop the transaction – it reversed it. I've concluded that Halifax should pay Mr P £350 compensation for the impact this situation has had on him. I'm pleased Mr P was able to purchase his car and have it delivered to him eventually."

I know Mr P will be disappointed with this outcome, but I hope I've explained why I don't think it would be reasonable to ask Halifax to pay for the other losses he's outlined.

Putting things right

Halifax Share Dealing Limited must pay Mr P £350 for the trouble and upset it has caused him.

My final decision

For the reasons I've explained above, I uphold this complaint. Halifax Share Dealing Limited must pay Mr P £350 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 20 September 2022.

Charlotte Wilson
Ombudsman