

The complaint

Mr J is unhappy with how Bank of Scotland plc, trading as Halifax, managed his switching application for a reward account and its subsequent actions.

What happened

Mr J's application for a reward account was declined. He was given conflicting information as to why this was, and feels it wasn't investigated properly. Mr J also says Halifax failed to respond to his DSAR (data subject access request) and he says his complaint about these issues was not handled well. After he brought his complaint to us Halifax accepted its service fell short of what Mr J was entitled to expect and offered £150 compensation.

Our investigator felt this was a fair settlement. She said Halifax could not now say with certainty why Mr J's application declined but it seems it may have been because he has an old Halifax account with a nominal balance. But it was not, as it first said, due to missed payments on his credit card account. She accepted there were times Mr J had to chase the bank for a response, and that his DSAR had still not been fulfilled.

Mr J disagreed with this assessment. He asked for an ombudsman's review saying this offer does not nearly recognise the time he has spent on this and the number of calls he has had to make, or the number of times promised call backs did not happen. He should not have had to chase the bank; it should not have ignored his request for the DSAR. He asked if we think Halifax's complaints process is acceptable. He also asked that the old account be closed.

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.

I've read and carefully considered everything Mr J's sent us when looking at his complaint. It's clear Mr J has spent many hours trying to resolve things. And I'd like to thank Mr J for providing the medical evidence that gives information about his circumstances and health. I am sorry he is suffering in this way. If I haven't directly mentioned something that's happened or responded to each point raised it isn't because I haven't considered it. I have. But in line with our role as a quick and informal dispute resolution service, and as our rules allow, I am focusing here on the key issues that I find to be material to the outcome of this complaint.

I am upholding Mr J's complaint, but I agree a £150 compensation payment is appropriate. I'll explain why.

When Mr J applied for the reward account on 14 December 2021, to benefit from a switching incentive of £125, he was instead offered a basic account. He was incorrectly told the downgrade was due to the status of his credit card account. I can also see the application process wasn't efficient for him as he started online but there were technical problems, and when he tried to call in he was cut off.

Mr J complained about this and a final response letter was issued. Unhappy with the explanation in the letter about the downgrade, Mr J contacted Halifax many times by email and phone to follow up. I can see the bank was not responsive. This was not acceptable, and whilst Halifax has acknowledged this, I cannot see it has apologised to Mr J. Mr J asked which calls had been listened to but I am satisfied from the contact notes, and Halifax's own admission, that the service fell far short of what Mr J is entitled to expect. Our rules (DISP 3.5.8) allow the ombudsman to define what evidence should be required and reviewed.

I know Mr J wanted a better explanation as to why he was declined for the reward account, and the bank has been unable at this stage to give a certain reason, other than to say it was most likely because of an old unused account that Mr J had. I can see this must be frustrating, but I have no more certain information I can provide to him. And we would not interfere in the bank's application policies – who to accept onto what product is its commercial decision. I also note Mr J made another switching request through another of the bank's brands that was accepted in June 2022 and he successfully received a £125 incentive, so it seems plausible it was the old Halifax account that was the problem here.

So, overall, I agree there were problems with inaccurate information after his application, and then unresponsive service when he tried to follow up on what had happened. However, I find £150 compensation to be reasonable in the circumstances, taking into account the duration and impact of the issue. Mr J has translated this into a pro-rata payment for the hours he has spent on this issue but that isn't how we approach the awards we make. I note the investigator previously sent a link to the section on our website that sets out our approach in more detail. And this award is in line with our approach.

Mr J asked if we are happy with Halifax's complaint handling. But there is a difference between a complaint about a financial service and a complaint about how a firm has handled a complaint. I can only look at the former. Mr J's concerns about how Halifax responded to his complaint is not a complaint about Halifax's provision of or failure to provide a financial service – it's distinctly about complaint handling. And under our rules I cannot consider complaint handling.

Halifax also failed to respond to Mr J's DSAR. It confirmed to our investigator on 25 November 2022 that this was now in progress but if Mr J wishes to make a complaint about the delay he should contact the Information Commissioner's Office (www.ico.org.uk).

Finally, Mr J asked if we could tell Halifax to close his old account. He would need to do this and I note he cannot easily visit a branch – but he can send his request in writing to Halifax Account Closure Team, PO Box 548, Leeds LS1 1WU. He should include the sort code and account number of the account to be closed; give clear instructions on whether the funds are to be transferred to another account (include details), or be returned by cheque; ensure the letter is signed and allow a minimum of five working days from the date the letter is posted for a transfer or ten working days if the money is to be sent by cheque.

Putting things right

Halifax must pay Mr J £150 compensation and send a letter of apology to recognise its provision of incorrect information and the trouble and inconvenience its service caused Mr J.

My final decision

I am upholding Mr J's complaint. Bank of Scotland plc, trading as Halifax, must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or

reject my decision before 11 January 2023.

Rebecca Connelley
Ombudsman