

The complaint

Ms P and Mr P complain they received poor service from Bank of Scotland plc trading as Halifax (Halifax).

What happened

Ms P and Mr P wanted to downgrade their existing current account to a different account so they could benefit from its rewards offers. They called Halifax in April 2022 to do that. But the account application failed ID checks. They were told to visit a branch to complete the application. But when they visited the branch, it wasn't possible to complete a partially completed application. A new application had to be completed from the start again.

Ms P and Mr P complained. Firstly, they said they should've been able to complete the application on the phone, but that failed. They said the ID checks should be done upfront. When Mr P called Halifax initially, he said was given the impression that there would be no problem in completing the application on the phone.

And then, they said they were misadvised when they were told to go to the branch to complete the application. They also complained that they wanted a call back from Halifax's call handler, but she refused to do that.

Halifax discussed the first complaint with Mr P on the phone. Halifax accepted that they'd given the wrong impression on the first phone call. They paid compensation of £50 plus call costs and transport costs of £19.

On the second complaint, Halifax said Ms P and Mr P had been given the wrong information on the phone - as partly completed applications couldn't be finished in branch. Ms P and Mr P therefore had a wasted trip to the branch, which they accepted was inconvenient. Halifax offered compensation of £75 plus parking costs of £10.

Ms P and Mr P didn't accept this offer and brought their complaint to us. Our investigator said she thought that Halifax's total compensation (paid and offered) of £154 was fair for what happened. The way the call on 15 June 2022 ended was unfortunate but even if Halifax had called back, it was clear the offer wasn't going to be increased. She concluded that Halifax didn't need to do anymore.

Ms P and Mr P asked that an ombudsman look at their complaint: so, it has come to me to make 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.

I can see that there were several errors by Halifax – which must have led to increasing levels of frustration on the part of Ms P and Mr P. I understand that.

On the first complaint – Ms P and Mr P were advised they could complete the application on

the phone. And that then failed because there was an ID problem. Halifax don't have that call available to listen to. But they accepted that in all probability they did say that to Ms P and Mr P, and paid compensation of £69. That was accepted by Ms and Mr P. But Halifax then said the application could be completed in a branch. So, Ms P and Mr P went to a branch – but it turned out it couldn't be completed. That was because Halifax's processes are that a part completed application cannot be so done. So – they misadvised Ms P and Mr P here – as they had a wasted journey to the branch. Halifax have offered a further £85 compensation (being £75 plus parking £10).

Ms P and Mr P have also complained that Halifax's call handler wouldn't call them back at a stated time to discuss the offer of compensation of £85. I listened to the call. Mr P said he wanted a call back to further discuss the offer. Halifax' call handler said that wouldn't be needed as the offer wasn't going to change. She said she'd considered the complaint, and that was Halifax's offer. Mr P had to end the call as he was busy. But I don't think that what Halifax's complaint handler did was unreasonable - it was clear the offer was Halifax's final one.

Beyond that, I'm restricted on the extent to which I can look at this aspect of the complaint, as we don't have the power to look into complaint handling at firms. That's because this service is governed by strict rules about what complaints we can, and cannot, look at. These are covered in The Financial Conduct Authority's Handbook. This defines a complaint as being about a financial product or service. So, complaints specifically about a business's complaint handling or processes aren't included. Ms P and Mr P's concerns here are specifically about how Halifax handled a complaint, so – this aspect of their complaint isn't one we can look at any further.

Halifax haven't disputed that they made two errors – both of which led to distress and inconvenience for Ms P and Mr P. So, this complaint comes down to how much compensation is appropriate here. I view the issues made by Halifax here are one complaint – as they are about dealing with the account application. Our service has set down some criteria for deciding on compensation. We say an award up to £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. I think what happened fits this definition – as there were two or three calls and an unnecessary visit to the branch.

Mr P has said the compensation should be up to £750. I've considered that – but for that, we say that might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. I accept that the matter of compensation is a subjective one – but having thought about this, particularly in the light of other awards our service has made, I think that the compensation of £125 (plus related expenses of £29) is right here.

Halifax have confirmed that the outstanding offer of £85 (£75 plus parking £10) is still available, and if Ms P and Mr P wish to accept this, they should get in touch with Halifax to arrange payment.

My final decision

Halifax has already made an offer to pay £85 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Halifax should pay £85.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P and Mr P to accept or reject my decision before 6 February 2023.

Martin Lord
Ombudsman