

## The complaint

Ms K is unhappy that Bank of Scotland plc, trading as Halifax, didn't reactive her account as they should have done.

## What happened

Ms K visited a Halifax branch and presented branch staff with the correct identity verification ("IDV") documents to reactive an account she held with Halifax which had fallen into a dormant status. Halifax's branch staff reactivated the account and Ms K was provided with a new debit card for the account.

Ms K then travelled overseas. But when she attempted to access the money in the reactivated account – which she needed to complete a property purchase – she discovered the account was again restricted and had been placed back into a dormant status by Halifax. Ms K contacted Halifax but was told she'd need to re-present her IDV documents in a UK Halifax branch to reactivate the account. Ms K wasn't happy about this, especially as she was overseas with no immediate plans to return to the UK, and so she raised a complaint.

Halifax looked at Ms K's complaint. They acknowledged their branch staff had made an error by not forwarding copies of Ms K's IDV documents to the correct Halifax department, which had meant the account activation process hadn't completed and led to the account being reverted back to a dormant status. Halifax apologised to Ms K for this and made a payment of £150 to her as compensation for any trouble and upset she may have incurred. Ms K didn't feel Halifax's response went far enough, so she referred her complaint to this service.

One of our investigators looked at this complaint. They recommended that Halifax should increase their offer of compensation payable to Ms K to £400. Ms K remained dissatisfied, so the matter was escalated to an ombudsman 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.

I issued a provisional decision on this complaint on 13 February 2023 as follows:

*Halifax don't dispute that it was an error made by their branch staff – who failed to forward the copies of Ms K's IDV documents to the Halifax department that needed to receive those documents in order for the account reactivation process to be successful – that led to Ms K's account being placed back into a dormant state.*

*The question here then isn't whether Halifax did anything wrong, but what actions Halifax should fairly be instructed to take to return Ms K to the financial position she should have been in, had the error not occurred, as well as whether the payment of £150 compensation that Halifax paid to Ms K for the worry and trouble that this matter caused is a fair amount.*

*Ms K has explained that the impact of Halifax's error was intensified by the fact she was overseas, trying to complete a complete a property purchase, and that she was depending on the money in the Halifax account in order to complete that property purchase.*

*Ms K therefore feels that Halifax should cover the costs she incurred because she couldn't access the money in her Halifax account. These include that Ms K had to borrow the money to complete the purchase from friends and family members and had to pay a fee for a solicitor to draw up loan contracts between herself and her friends and family members.*

*Ms K has provided this service with an invoice to that effect, from an overseas solicitor, for 363.00 Euros. I'm satisfied that Ms K wouldn't have incurred this expense had Halifax not made the error that they did, and so my provisional instruction here will be that Halifax must reimburse this amount to Ms K – either in Euros to an account of Ms K's choosing, or, if Ms K would prefer, to her UK Halifax account, converted to UK Sterling by Halifax at the exchange rate applicable at the time of the reimbursement.*

*Ms K would also like Halifax to reimburse her the costs of returning to the UK to re-present her IDV documents in branch so that the account could be reactivated again – which Ms K did in December 2022. However, I don't feel that Halifax should reasonably be instructed to cover this cost as Ms K would like.*

*This is because I don't feel it can reasonably be said that the only reason Ms K returned to the UK in December 2022 was to re-present her IDV documents to Halifax, and I note that in her initial correspondence with Halifax about this issue in July 2022, Ms K stated that she had no intention to return to the UK until at least October 2022, which indicates that Ms K did have prior plans to return to the UK that weren't dependent on here having to re-present her IDV documents at a Halifax branch. Additionally, by her own admission, Ms K spent a week in the UK in December 2022 and visited friends and family during her trip.*

*As such, it seems to me that Ms K returned to the UK in line with when she wanted to return for other matters and re-presented her IDV documents to Halifax at that time. And I don't feel it would be fair to ask Halifax to reimburse Ms K's travel costs under these circumstances.*

*Finally, I also feel that Ms K should be compensated for the worry and trouble she incurred surrounding this matter. This includes in regard to the calls and correspondence Ms K had to engage in with Halifax and the undoubted stress and concern that the possibility of not being able to complete the planned property purchase, through no fault of her own would have caused. This also includes the inconvenience Ms K incurred in having to re-present her documents to Halifax in branch while visiting the UK.*

*Matters of compensation can be subjective, but in this instance, I feel that an increased compensation amount of £500 is a fair amount in consideration of what happened here. This means that my provisional instructions here will also include that Halifax must pay Ms K a further £350 compensation, in addition to the £150 they've already paid.*

*In arriving at this position, I've thought what happened and the impact of Halifax's error on Ms K, as well as the general framework by which this service considers*

*awards for upset and inconvenience – further details of which can be found on this service's website.*

*All of which means that my provisional decision here is that I uphold this complaint in Ms K's favour and that my provisional instructions are that Halifax must pay a further £350 compensation to Ms K as well as 363.00 Euros to cover the solicitor fee that Ms K incurred when drawing up the loan agreements she was forced to resort to because she couldn't access the money in her Halifax account – as described above.*

Ms K and Halifax have both confirmed that they're happy to accept my provisional decision, although Ms K asked Halifax to cancel the cheque for £150, which she had received but not yet cashed, and to pay the £500 compensation instructed in my provisional decision as a single amount – a request which it's my understanding Halifax have agreed to.

As such, I see no reason not to uphold this complaint in Ms K's favour on the basis described in my provisional decision above. And I therefore confirm that I do uphold this complaint on that basis accordingly.

### **Putting things right**

Halifax must pay Ms K 363.00 Euros in reimbursement of the solicitor fee she incurred when having to draw up loan agreements.

Halifax must also pay Ms K compensation totalling £500 for the trouble and upset she's experienced here.

### **My final decision**

My final decision is that I uphold this complaint against Bank of Scotland plc, trading as Halifax, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 24 March 2023.

Paul Cooper  
**Ombudsman**