

The complaint

Mr and Mrs G complain that Bank of Scotland plc trading as Halifax made an error with their payment request which had an impact on them.

What happened

Mr and Mrs G say that they contacted Halifax on 21 March 2023 to have their savings account transferred to a third party provider. They say Halifax confirmed the transfer would be completed, but when Mrs G had problems making payments from her current account, they contacted Halifax about this, and it transpired that the payment Halifax sent to the new provider couldn't be honoured as it didn't contain their unique building society number along with the payment details, which resulted in the current account being overdrawn as Halifax paid a draft into their account which the funds hadn't cleared. Mr and Mrs G made a complaint to Halifax.

Halifax upheld Mr and Mrs G's complaint. They said that they were disappointed they didn't provide their unique building society account number along with the payment details on 21 March 2023, which resulted in the payment being returned to a Halifax branch. They said they understand how difficult it was for them to try and obtain assistance over the phone as this was a branch based issue. But when the branch contacted them on 27 March 2023, they were able to correct this and arrange for the payment to go to the third party provider again. Halifax said that during the correction process their joint current account fell into a debit status for a short period during 27 March 2023, but correcting entries were made to ensure the account was returned to a credit balance status on the same day.

Halifax said the delay meant Mr and Mrs G didn't have access to their funds and they lost out on interest being accrued. Therefore, they paid 8% interest from 21 March 2023 to 30 March 2023 (they said they used this date to allow time for the payment to reach the third party provider). Halifax said they offered £200 compensation on top of the £20 they had already paid them, and interest of £62.85. Mr and Mrs G brought their complaint to our service.

Our investigator said that the offer Halifax made was fair. He said the savings account was closed and transferred on 21 March 2023 in a visit to a branch. The branch made an error resulting in the payment being rejected back to Halifax, however, due to the originating account being closed the funds went into a Halifax suspense account. Our investigator said further errors were made by the branch on 27 March 2023 when attempting to correct the transfer for Mr and Mrs G.

Mr and Mrs G asked for an ombudsman to review their complaint. They made a number of points. In summary, they said the compensation doesn't reflect the upset caused to them over the three days with Halifax. They wanted the phone calls listened to, and they said they were refused help when they asked if Halifax could deposit a little amount of money into their account while they were waiting for the issues to be sorted out, but they were refused.

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.

Mr and Mrs G have made a number of points to this service, and I've considered and read everything they've said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of their complaint in deciding what's fair and reasonable here.

It's clear that Halifax have made a number of errors with what happened to Mr and Mrs G. These errors involve not including the building society reference for the payment to the third party, which caused the transfer to be rejected back to Halifax (into a suspense account since the savings account had been closed), when the funds were attempted to be credited to Mr and Mrs G's current account the cashier credited an incorrect amount, which meant this needed to be rectified, and they also paid the funds in as a draft.

As the funds were paid in by a draft, this meant that the funds were uncleared. This caused the account to go overdrawn when it shouldn't have been. Halifax said the account was overdrawn for a day and Mr and Mrs G say that it was overdrawn for three days. So I've looked into how long the account was overdrawn by.

I can confirm the account was overdrawn for more than one day. The confusion around the overdrawn balance was based on the statement entries as this looks like the account was overdrawn for less than a day, and this is what Halifax had based their answer on. But as the draft hadn't cleared on the same day, this is why Mr and Mrs G were overdrawn for more than one day. I've also seen a text Mr and Mrs G were sent on 28 March 2023 advising them they have payments due which may take them into an unarranged overdraft, and this text was sent by Halifax at 8:26am. So I can fairly conclude they were still overdrawn by the time the text was sent.

Halifax have sent me evidence that the unclear effects of the draft were removed from the account on 28 March 2023. But there is no time stamp on the evidence. So it could be up to 23:59pm and 59 seconds that the unclear effects were removed. So I'm not persuaded there were uncleared funds on 29 March 2023. So it does appear the impact was for a maximum of two days, and not one day like Halifax originally said or three days like Mr and Mrs G have said, although I can see that Mr and Mrs G used their account again on 30 March, so this is why they might be under the impression that their account was overdrawn for three days instead of two.

But regardless of this, what happened here would have an impact on Mr and Mrs G. So I have requested the phone calls from Halifax between 21 March 2023, when the transfer was first made, to 5 April 2023, as I know how important it was for Mr and Mrs G for me to listen to the calls. As their interactions in the branch aren't recorded, I'm unable to say for certainty what happened with any conversations they had in the branch, but I do have a testimony from the branch manager.

The first call I listened to was on 24 March 2023. Mrs G phoned Halifax as she was unable to get through to the branch when she rang them. She explains the transfer hadn't completed with the building society due to Halifax not completing the correct details. As the call handler was unable to get through to the savings team or the branch, then she said she would leave a message for the branch for them to contact Mrs G. She offered to log a complaint for Mrs G and Mr G took over the call as Mrs G needed to do something else. The call handler says she will credit £20 to the joint current account for what has happened.

The next call I've listened to was on 27 March 2023. Mrs G tells the call handler her card had been declined. The call handler tells Mrs G her card has declined because she had insufficient funds. As Mrs G couldn't understand what the call handler was saying it appears she disconnected the call and rang back, and I've listened to this call also.

The call handler tells Mrs G that the account balance is -£23,805.34. The call handler tells Mr and Mrs G that the cheque (draft) hadn't cleared, and it would be available from 29 March. It's clear that the call handler didn't originally understand what had happened here, and he thought that Mr and Mrs G completed the transfer and not the branch. The call handler advises if Mr and Mrs G want to get money out they could go into a branch, but both Mr and Mrs G tell him they don't live near a branch. Mr and Mrs G raise a complaint and the call adviser asks them to put it in their own words what has happened, which Mr G does.

The next call I listened to was when Mrs G received a letter from Halifax on 31 March 2023 which told her that the complaint was resolved. This was the original complaint where the call handler said she would pay £20 to Mr and Mrs G's joint account. The call handler tells Mrs G that she will reopen the complaint. On the next call (3 April 2023) Mrs G says she tried to ring through to the head office, but it seems she got through to customer services. Mrs G was given a telephone number from the call handler to ring.

On 4 April 2023 I've listened to a call that Mrs G had with Halifax. She says she was trying to get higher up within the company as she had an ongoing complaint. The call handler explains they sent her a letter on 29 March 2023 explaining that they are looking into the complaint, but it can take up to eight weeks to be resolved. The call handler confirms the complaint has been escalated to higher than himself and higher than his manager.

The last call I've listened to is also from 4 April 2023. This was the call between Mrs G and the complaint handler. They mentioned a call with the branch manager. Mrs G confirms she hadn't been back in the branch, and she has spoken to them over the phone. They discuss the impact of what happened, Mrs G tells her that they had no money, and they couldn't put petrol in the car. Mrs G confirms she isn't aware of any charges she's had from any missed bills. Mrs G confirms the branch rang her to let her know the money went back into her account on either Wednesday (29 March 2023) or Thursday (30 March), but she couldn't remember.

I don't have access to branch calls as it doesn't appear they are recorded. Halifax have sent me evidence of the call recordings they have, and I've listened to all of these, but there are no branch recordings on the calls they have available to listen to, which it is not uncommon for branch calls to be unrecorded. Halifax reached out to the branch manager Mrs G spoke to. The branch manager says when she spoke to Mr and Mrs G, she apologised for the error and she stressed if Mrs G needed any money out this could be arranged, but *"customer had advised was ok and no additional money was needed."*

I've considered what would be a fair outcome for this complaint. Halifax have offered Mr and Mrs G £220 in total for distress and inconvenience and £62.85 for lost interest. I'm satisfied that the £62.85 for lost interest was fair as Halifax have calculated this at 8% and they've calculated this for the time period of 21 March-30 March 2023.

I've considered whether £220 is proportionate for the impact Halifax's errors and customer service had on Mr and Mrs G. Halifax made errors with the transfer which caused the funds to bounce back. Then they made an error with paying the funds into Mr and Mrs G's current account to transfer to the funds to the third party building society. Mr and Mrs G only found out about being overdrawn when Mrs G tried to make a purchase, and it would have been embarrassing for her to find out the payment had been declined, especially when she

thought she had over £11,000 in the joint account. So she feared the account had been hacked into.

It was only when Mrs G phoned Halifax that she found out the account was over £23,000 overdrawn. This was very distressing for Mr and Mrs G as this did not occur from actions they took - they were Halifax errors. Then they were told the draft wouldn't clear until 29 March. They were told this over the phone on 27 March 2023. So they were without funds for up to two whole days which would be distressing especially as Mr and Mrs G told the complaint handler they couldn't put petrol in the car.

One of the call handlers did suggest that cash could be made available to Mr and Mrs G if they could travel to the branch. And there is a statement from the branch manager offering them cash also. But I am sympathetic to Mr and Mrs G's situation that if they couldn't access money to put petrol in their car before they got to Halifax then they might not have been able to get to the branch, when they've said they live a long way from the branch.

I must make Mr and Mrs G aware that our awards aren't designed to punish a business. The £220 in total that Halifax have offered is in line with our awards for what happened here. It recognises several errors over a period of several days, taking into account the customer service and Mr and Mrs G being inconvenienced speaking to Halifax over the phone for hours, and them being without access to funds for a maximum of two days. So Halifax should pay Mr and Mrs G what they offered them, less anything they have already paid them. But I don't require them to do anything further.

My final decision

Bank of Scotland plc trading as Halifax has already made an offer to pay a total of £220 for distress and inconvenience and £62.85 in lost interest to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Bank of Scotland plc trading as Halifax should pay Mr and Mrs G £220 for distress and inconvenience (less anything they have already paid them) and £62.85 for lost interest (less anything they have already paid them). But I won't be requiring them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 9 January 2024.

Gregory Sloanes
Ombudsman