

The complaint

Mrs H complains about service from Bank of Scotland plc trading as Halifax (Halifax) in connection with her sons' savings accounts.

What happened

Mrs H has three sons. They all have the same first name initial – 'A'. They were born in July 2005, July 2007 and August 2010. The complaint largely relates to the two boys born in 2005 and 2007.

After the first two boys were born, Mrs H set up junior savings accounts for them and paid in regular sums each month. But in 2016, it came to light that the accounts had been set up incorrectly. Mrs H visited a branch at that time to try to resolve matters, but without success.

Mrs H made a formal complaint. In December 2021, Halifax said they'd get their IT department to set up profiles for each child and the accounts could then be put into the right names. Halifax paid compensation of £250 for distress and inconvenience.

In February 2022, Halifax wrote to Mrs H and considered they'd resolved the problems and listed five accounts for three sons. They asked Mrs H if she wanted to transfer monies between the accounts.

Mrs H said the list of accounts wasn't correct and not what she wanted to happen. She said she tried to contact Halifax's manager who was dealing with her case but couldn't get to speak to her. Mrs H said she didn't return her calls either.

Halifax wrote again in October 2022 and said they couldn't change the names on the accounts. But - they could move funds between the accounts, and open new accounts.

Mrs H also said that Halifax had closed one of the accounts because it became dormant, and wrongly transferred the balance to the account of another son (and not to an account in the same name).

Mrs H complained. She said:

- The letter from Halifax dated February 2022 was wrong – it showed the wrong accounts in the wrong names.
- She tried to call the complaints manager in October 2022 – after Halifax's letter - but couldn't get through; nor did the manager return her calls.
- She wants Halifax to go through her two sons' accounts and work out the correct balance to date. And put right the error when the dormant account was closed and transferred to the wrong account.

Halifax said to us that it wasn't possible to recalculate / remodel the accounts – as they had no way of knowing which account should've received what amount of money.

Mrs H brought her complaint to us. Our investigator upheld the complaint. Halifax had at first said they could correct the problems, but then said they couldn't. He said Halifax should send all the account statements for each account to Mrs H – so she could work out what funds were due to which child. He said further compensation of £250 was reasonable in the circumstances.

Mrs H didn't agree. She said Halifax should take on the job of working out which funds were due to which child, not her – as it was Halifax's error in the first place. We discussed a number of ways forward with Mrs H, but she said she wants an ombudsman to look at her complaint and 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.

It's not in dispute that Halifax made some errors when the accounts were set up many years ago. It's not clear exactly what the original errors were – as the accounts were set up so long ago. And it's also clear that more recently, Halifax haven't been able to resolve the issues in the way Mrs H would wish.

Mrs H says she had tried to speak to Halifax to try to resolve matters – but they haven't returned her calls. We asked for Halifax's call records – and this shows there weren't any inward or outgoing calls to or from Mrs H around the time of February 2022 and October 2022, nor are there any notes on her account. There were six outbound calls to Mrs H in July 2022 and two in September 2022. From what Mrs H says it's unlikely those calls are related to her complaint. So, based on that evidence (and I can only go on what the evidence shows) - I can't say Halifax did anything wrong in this respect. So – I set that aside.

So – my decision comes down to what is a fair and reasonable way forward. Mrs H wants Halifax to take on the job of working out how much money should be in each of her two sons' accounts. I've thought about this – and we did try to mediate a solution whereby we ask Halifax to total the amount of money paid to all the sons over the years (not individually by son, but in total) and Mrs H then allocates that to each one – but Mrs H rejected that.

I must be fair and reasonable to both Halifax and Mrs H here – that's our role.

The real practical problems in asking Halifax to remodel the accounts is:

- Each account statement only has the letter 'A' in its title – so Halifax don't know which account is for which son. And there are three sons, each with the initial 'A', but only two sons' accounts are affected.
- The amounts paid into each account vary over time. And some of the monthly amounts should've been paid to a different son.
- Given the passage of time, it's not clear when each error occurred – and therefore from which time any adjustments need to be made.

I've considered whether we can ask Halifax to do this – and I just don't think it's fair or reasonable to ask them – as the task relies on the knowledge that Mrs H has about the accounts; and the payments she made.

And so my decision is that it is for Mrs H to go through the statements and decide how much is due to each son now. She can then ask Halifax to open or close accounts as necessary,

transfer money between accounts, and go forward from there.

As part of this, Halifax must send to Mrs H the statements for all the accounts, back to when the accounts were opened.

I know Mrs H will be disappointed with this – as she wants Halifax to do the work, but for the reasons I've set out, I don't think that is practical or reasonable.

As part of my decision, I agree that the compensation for distress and inconvenience is at the right level for what happened – and means that Mrs H will have received a total of £500 for the errors Halifax made. This is consistent with the criteria our service has laid down for this type of complaint. The criteria can be seen at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

My final decision

I uphold this complaint and Bank of Scotland plc trading as Halifax must:

- Pay compensation of £250 for distress and inconvenience.
- Send to Mrs H the account statements for the three sons from the time the accounts were opened, to the present time.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 March 2024.

Martin Lord
Ombudsman