

The complaint

Mr O is unhappy that Bank of Scotland plc, trading as Halifax, don't agree with his interpretation of their account terms.

What happened

To briefly summarise: Mr O spoke with Halifax in August 2023 and explained that he held a Halifax Bonus Saver account, the terms of which, as per Halifax's website, included that a lower rate of interest would be applied to the account if four or more withdrawals are made from the account in the twelve months after the account was opened.

Mr O noted that he had opened his account in 2013, and so the twelve months after opening the account had long since passed. And he explained that he wanted Halifax to change their terms to read that it the twelve-month period discussed restarts on each anniversary of the account being opened.

Mr O further explained to Halifax that because he had opened his account in 2013, the interest reduction clause didn't apply to his account and that he should therefore be permitted to make as many withdrawals from the account as he wanted without penalty. Mr O also complained to Halifax about the service he'd received from one of their agents when he'd raised this matter with them.

Halifax responded to Mr O and agreed that the standard of service he'd received when speaking with one of their agents had been below that which he should reasonably be entitled to expect. Halifax apologised to Mr O for this and offered to make a payment of £30 to him. Mr O declined to receive the £30 payment that Halifax had offered and asked instead that it be given to Halifax's preferred charity, which Halifax subsequently did.

But Halifax didn't uphold the other aspects of Mr O's complaint and confirmed that they felt the information about their Bonus Saver account as displayed on their website was clear. This included that the interest rate on the account would reduce if the account holder made four or more withdrawals within the twelve-month term and that the account would change to an Instant Saver account after the twelve-month term. Mr O wasn't satisfied with Halifax's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that the response Halifax had issued to Mr O's complaint already represented a fair resolution to what had happened. Mr O 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account

when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mr O has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr O for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr O notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr O and Halifax. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Furthermore, the rules by which this service must abide – which can be found in the Dispute Resolution (DISP) section of the Financial Conduct Authority (FCA) Handbook – include that this service can only consider points of complaint which have previously been raised by the complainant with the respondent business directly, such that the respondent business has had the opportunity to consider and formally respond to those points of complaint.

Halifax have presented this service with their complaint notes which detail the points of complaint that Mr O raised with them. Halifax summarise these points as being that Mr O felt the information on Halifax's website about the Bonus Saver account was misleading and that he felt his interpretation of the terms of the account should be accepted by Halifax, which would mean that he should be able to make as many withdrawals as he wanted from the Bonus Saver account without prompting a reduction on the interest rate that was applicable to the account. Halifax also record that Mr O was unhappy with the service he'd received when speaking with one of their agents.

Having read Halifax's complaint notes, I agree with their assessment of the points of complaint that Mr O raised with them – as per their recording of Mr O's complaint. And I also note that these are the points of complaint that Halifax have addressed in their response to Mr O's complaint, dated 14 August 2023. As such, these are the points of complaint that I feel sit within my remit to consider here, given that I'm satisfied from the information I've considered that Mr O raised these points of complaint with Halifax and that Halifax have had the opportunity to consider and respond to these points of complaint.

I take the time to explain my assessment of the scope of this complaint because I note that Mr O has raised several further points of complaint during his ongoing correspondence with this service. These further points of complaint sit outside the remit of what I can consider here, for the reasons explained above. Accordingly, should Mr wish to pursue these further points of complaint, I can only direct him to raise these points of complaint with Halifax in the first instance, so that Halifax can consider and respond to them.

I also accept that it may be the case, given that I'm relying on Halifax's notes detailing the bringing of this complaint to them by Mr O, that Mr O might have raised additional points of complaint with Halifax that weren't accurately recorded by them, and therefore weren't considered and responded to by them. If that were the case, then Mr O remains free to raise those points of complaint with Halifax again. However, for the purposes of this review, I will consider only the points of complaint as I've explained above.

Regarding the poor service that Mr O experienced when he spoke with one of Halifax's agents, Halifax have upheld this aspect of Mr O's complaint and apologised to Mr O for what

happened. Halifax also offered to make a payment of £30 to Mr O as compensation for the upset and frustration he may have incurred. Mr O asked that Halifax pay that £30 to their preferred charity, which Halifax did. And I also note that appropriate feedback was provided by Halifax to the manager of the agent in question. I'm therefore satisfied that this aspect of Mr O's complaint has been fairly resolved and that no further action from Halifax is needed.

Regarding the clarity of the terms of Halifax's Bonus Saver account on their website, I've reviewed the information that was present on Halifax's website about their Bonus Saver account and note that it includes the following:

- Earn 4.10% AER/4.02% gross variable monthly if 3 or less withdrawals are made in the 12 month term.
- Earn 1.35% AER/1.34% gross variable monthly if 4 or more withdrawals are made in the 12 month term.

Each of the above clauses is followed by a 'how this works' link, which, when selected, shows as follows:

- If you make four or more withdrawals, you'll get a lower rate of interest from the month you make the 4th withdrawal until the end of the account year. Interest is paid monthly, on the same date you opened the account.

Finally, I also note that the Bonus Saver information on Halifax's website also includes the following:

- After 12 months the account will change to an Instant Saver

With an Instant Saver being another type of saving account offered by Halifax, which is distinct from the Bonus Saver account, and which offers different rates of interest.

In consideration of the above, I don't feel that the information about the Bonus Saver account on Halifax's website is unclear or misleading. Rather, I feel that this information clearly explains that Bonus Saver account has a twelve-month term, after which time it will change to an Instance Saver Account. And that if, during the twelve-month term of the Bonus Saver account, the account holder makes four or more withdrawals, a lower rate of interest will be applied to that account from month of the fourth withdrawal until the end of the account's twelve-month term.

Mr O has provided screenshots which show how he was able to navigate, as a logged-in account holder, to a different webpage which provided slightly differently worded information to that from the webpage quoted above. Specifically, in the 'Your savings and investments options' section of Halifax's website, accessible as a logged-in account holder, the information about the Bonus Saver account includes the following:

- You will get a higher rate of interest if you make 3 or less withdrawals in the twelve months from opening.
- If you make 4 or more withdrawals, you'll get a lower rate of interest...

Mr O contends that 'in the twelve months from opening' means 'in the twelve months from opening the account'. And Mr O notes that he first opened his account in 2013, and that his sort-code and account number have remained constant since 2013. Mr O therefore contends that because the twelve-month period after he opened his account in 2013 has long since passed, he should now be able to make as many withdrawals from the account as he wishes without any reduction in the rate of interest applicable to the account.

I don't accept Mr O's position here. This is because the page that contains this terminology is entitled 'Your savings and investment options'. As such, I'm satisfied that this page refers to options for new account opening, and that therefore the reference to 'twelve months from opening' refers to the twelve months from the opening of a new Bonus Saver account. And nowhere is there any indication that the phrase is intended to apply to the opening date of accounts opened several years ago, nor is there any plausible reason why Halifax would include a term that could refer to a qualifying period that has long since passed.

Additionally, Halifax have explained that Mr O's account type has changed since 2013. And Halifax note that where this is the case, the original sort-code and account number are retained and do not change. Specifically, Halifax have explained that Mr O's account was opened as a Reward Bonus Saver account in 2013 and renewed as a new Bonus Saver Account in 2014. The account as then changed to a Web Saver Variable account in 2015, before becoming a Bonus Saver account in 2023.

Mr O states that he has never changed his account or received any notice from Halifax that it had been changed. But I find Halifax's position to be persuasive here, especially as I accept that both the act of the account renewing to a new Reward Bonus Saver in 2014 and the account being changed to a Bonus Saver in 2023 would have required some form of action and consent from Mr O.

It's clear from Mr O's detailed correspondence with this service that he feels that he his position has a strong legal basis. However, as explained at the start of this section, this service isn't a Court of Law and doesn't operate as such. Rather, my remit here is based on what I feel to be fair, in consideration of all the information and evidence presented to me by both Mr O and Halifax. And, in this instance, I feel that it is fair that Halifax consider Mr O's Bonus Saver account to have opened in 2023 and to hold him accountable to the terms of the Bonus Saver account from that date.

All of which means that I won't be upholding these aspects of Mr O's complaint and that I feel that the response that Halifax have issued to Mr O's complaint already represents a fair outcome to what's happened here. I realise this won't be the outcome Mr O was wanting, but I trust that he'll understand, given everything that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 28 February 2024.

Paul Cooper
Ombudsman