

The complaint

Mr P complains about how Bank of Scotland plc trading as Halifax dealt with a loan application.

What happened

Mr P applied for a loan with Halifax in March 2023. He says there were a number of problems, with the money not being received to the interest rate changing when he reapplied for it. Mr P says he made a number of calls to Halifax and was caused distress as well as inconvenience as a result. He would like appropriate compensation.

Halifax accepts it made mistakes in dealing with Mr P and has apologised. It has refunded the difference in the interest rates and has paid a total of £300 compensation.

Mr P brought his complaint to us, and our investigator thought Halifax had acted fairly by apologising as well as by paying an appropriate compensation amount.

Mr P doesn't accept that view and says he should receive £600 compensation.

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 have come to the overall view that Halifax has acted fairly by apologising, refunding the interest and paying an appropriate compensation amount.

There is no dispute here that Halifax made a series of mistakes in dealing with what ought to have been a straightforward loan application. I have no doubt Mr P was caused distress and inconvenience in re-applying for the loan as well as in contacting Halifax about the issue. I also accept that initially Mr P would have been concerned that the new interest rate was significantly higher than the rate he first applied for.

I'm satisfied that Halifax has fairly apologised for what took place and has put Mr P back in the position he would have been in, were it not for the mistakes. I can see it has refunded the interest rate difference.

The only issue for me to decide is the compensation amount and having done so, I'm satisfied that Halifax has paid a fair and reasonable amount. I say that as I don't think Mr P has suffered any significant financial loss, as he has been put back in the position, he would have been in. I don't think there are any longer-term consequences caused here and that the problem was sorted out in a matter of weeks when Halifax was made aware of the issues.

So, it follows that I can't fairly order Halifax increase its compensation payment and think the award is in line with the type of awards we would direct for this type of issue. I can't see any justification for a payment of £600 as Mr P suggests.

Putting things right

Halifax has paid the compensation and refunded the interest.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax has made a fair and reasonable compensation offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 February 2024.

David Singh
Ombudsman