

The complaint

Miss W complains that Bank of Scotland plc, trading as Halifax, didn't refund fees direct to her but offset them against the balance of her account. She would like the money refunded to her.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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 have reached the following conclusions:-

- I do appreciate Miss W's concerns. She says she understood the final response letter from Halifax meant she would receive an actual refund of £605.88 in fees. I have looked at this letter. It states that an arranged overdraft will be removed and incorrectly added fees will be refunded at the same time. The letter doesn't state Miss W will receive an actual refund however nor does it state that the refund will be used to reduce her outstanding balance. I think the wording could have been clearer, but I don't think Miss W could have assumed from that letter that Halifax would make a payment of £605.88 direct to her.
- When there is still an outstanding balance on an account it's usual that any refunds are used to reduce this. So, I don't think that Halifax were wrong to do so. I can't reasonably tell Halifax to refund this sum direct to Miss W as I don't believe that was the intention, and it wouldn't be reasonable as she still had an outstanding balance..
- I appreciate Miss W has told us that financially she was relying on this money. And she has shared some details of her current personal circumstances. We do expect businesses to respond positively and sympathetically when consumers are experiencing financial difficulties although that doesn't automatically mean we expect them to write off outstanding balances. Halifax has told us it has reached out several times to Miss W to offer support but has been unsuccessful. I would urge Miss W to contact Halifax about her financial position so she can agree a suitable and manageable way forward to pay off her outstanding balance
- Finally, I appreciate Miss L says she isn't happy with the response times from Halifax as she had to chase several times. In its response to us Halifax has apologised that it hasn't dealt with Miss W's complaint in the timescale it expected to do so. That's unfortunate but it can sometimes take some time to investigate complaints. However, I haven't seen anything to lead me to conclude that Halifax's response times were unduly excessive or unreasonable.

My final decision

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 23 April 2024.

Bridget Makins
Ombudsman