

The complaint

Mrs W complains that Bank of Scotland PLC trading as Halifax failed to deal adequately with her problems in trying to convert her account to a student account. And that it failed to provide her with advice and guidance concerning her financial position.

What happened

Mrs W attempted to convert her account to a student account online, when she started a full time course, in September 2022. She says she tried to use Halifax's automated telephone banking system. However, she says the options available rerouted her to various departments that were unable to assist, leading to 40 minutes of unproductive and frustrating calls. She also attempted to use the chat function, only to find it was a chat bot that couldn't deal with her specific issue. She gave up trying then. She renewed the process in July 2023, but she still couldn't set up the account online when a customer service adviser talked her through it. She was advised to visit a branch of Halifax.

Mrs W has explained that it was very difficult for her to visit a local branch of Halifax. She made a formal complaint to Halifax in July 2023. It responded that Mrs W should have been able to set up her account online and set out the steps to do this, but if she had difficulties to contact the customer helpline. It further said that if she was having financial difficulties, she could contact its customer financial assistance team. As a gesture of goodwill, it refunded £100 banking charges.

Mrs W was dissatisfied with this but advised that she had later been able to set up a student account by visiting a branch of Halifax. However this is a new account as the bank apparently was unable to convert her old account.

On referral to the Financial Ombudsman Service, our Investigator said there was no diagnosis of the online issue Mrs W had experienced when trying to open a student account online, and insufficient evidence to support that she'd thoroughly considered the alternative account opening options. In respect of Mrs W's complaint that Halifax didn't give her enough support in respect of her financial circumstances, he didn't think this could be shown by her banking activity alone.

Mrs W didn't agree, and pointed out that after July 2023 the Consumer Duty applied and this should be taken into account.

The matter has been passed to me for an Ombudsman's consideration.

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.

First of all, as regards Mrs W's point about the Consumer Duty, this only applies to complaints concerning issues which occur after 31 July 2023. It doesn't apply retrospectively. Mrs W made her complaint on 29 July 2023. Although Halifax responded in

August 2023, the response was in respect of that complaint. I have a duty to be fair and impartial. If Mrs W had new issues regarding trying to open the student account and having to open a separate account, and wants the Consumer Duty to be taken into account concerning those issues, then I think it's fair that she puts those matters to Halifax as new complaints. I bear in mind that at the time of issuing its final response letter, it had not considered those issues.

Mrs W first attempted to convert her account to a student account in September 2022. So far as I can see, although she refers to Halifax's chat facility and its automated telephone process, she did not contact the customer helpline to speak to an adviser. I'm advised that on Halifax's website, concerning student accounts, the number for the customer helpline is set out. I'm also advised that Halifax has no records of Mrs W contacting any customer helpline between September 2022 and July 2023.

I appreciate that Mrs W wanted to complete the process of switching to a student account online and feels that Halifax should have been able to do this for her. And I realise that it would have been inconvenient for her to visit a branch. But, for whatever reason, the system would not let her open a student account online. But computer systems aren't infallible and in the event that a customer can't complete the process online, we would expect the bank to set up a clear process for getting advice about how to do this. And as the customer adviser was unable to set up Mrs W's account online, I think that the advice to visit a branch was fair.

As it would appear Mrs W did not avail herself of Halifax's customer advice processes until July 2023, I do think that its agreement to refund £100 bank charges as a gesture of goodwill was fair and reasonable.

In respect of any financial difficulties, we would expect banks to be able to identify unusual activity, exceeding an overdraft arrangement, or excessive use of things like payday loans. In Mrs W's case she had an arranged overdraft of £1,000, and from September 2022 until July 2023 she didn't exceed that overdraft limit. And I can't identify any payments on her statements which indicate any unusual activity. Further, it doesn't appear that Mrs W applied for any borrowing from Halifax which might have prompted a review of her credit record. Halifax might have carried out an annual review of her overdraft within that period. But I think that it is likely that all that would have shown was that she was keeping within her overdraft limit and had no unusual activity on her account. When Mrs W made her complaint, she was referred to the customer financial assistance team which I think was a reasonable response from Halifax, as she had indicated that she might be in financial difficulty.

So overall although I could see that Mrs W had difficulties in setting up a student account and that she was making use of an overdraft, the onus was really on her to avail herself of the helplines and financial assistance teams that Halifax has in place.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 16 February 2024.

Ray Lawley
Ombudsman