

The complaint

Mrs H and Mr H complain Bank of Scotland plc trading as Halifax (Halifax) failed to provide a full explanation why a payment they sent via the ATM was processed for a different amount than they requested, despite the confirmatory payment receipt showing their intended payment amount.

What happened

Mr H says on 21 June 2023 he attempted to make a payment to his credit card provider using a Halifax ATM as he had done several times before. Mr H says he keyed the maximum payment the ATM allowed of £500 and received an ATM receipt for that sum. Mr H says he then made a second payment in the branch of £100 to make a total of £600 to the credit card provider, as the ATM had a new limit in place of £500.

Mr H says he then got confirmation from the credit card provider that the payment he made via the ATM was for only £100. Mr H says he was confused by this given he had a receipt for £500 from Halifax's ATM and checked with the credit card provider the error was at their end. Mr H says he then visited his branch of Halifax a week later and made a payment for £400 representing the difference, but during his branch visit no one was able to explain to him what had happened or why there was a difference between the receipt and the amount processed.

Mr H says he raised a complaint at the branch about this but heard nothing further, so he went back to the branch only to find his complaint hadn't been escalated. Mr H says he finally got a response letter from Halifax saying it couldn't identify the fault, other than it was a system error and offered him £50 by way of apology.

Mr H says he feels the offer of compensation doesn't go far enough to cover the trouble and upset and time he has spent dealing with this matter. Mr H says he wants Halifax to provide him with a comprehensive report identifying what went wrong so he can understand what actions it has taken to avoid any recurrence of this basic banking service. Mr H says he has lost trust in Halifax and its systems and feels there may have been a data breach.

Halifax says it accepts it should have dealt with Mr H's initial complaint more efficiently and apologised for not logging his complaint when he first visited the branch. Initially Halifax offered Mrs H and Mr H £50 for this, but during the course of the investigation increased that offer to £150 offering Mrs H and Mr H a further £100 in addition to what it had already paid.

Halifax says they can see no evidence of any data breach here and this was a system error and unfortunately it can't explain why the ATM provided Mr H with a receipt for £500 when only £100 was sent.

Mrs H and Mr H weren't happy with Halifax's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says while he couldn't consider Halifax's complaint process as that isn't a

regulated activity, Halifax have accepted it didn't handle his complaint well and it has now offered to increase the compensation payment from £50 to £150, which he felt was fair.

The investigator pointed out Halifax have concluded the fault was a system error but unfortunately it was unable to provide a fuller explanation of why this happened and so he was unable to do so either. The investigator says unfortunately, banks systems may make errors from time to time, but noted that no financial loss was incurred by Mrs H and Mr H as the correcting amount was paid to the credit card provider the following week.

The investigator says there was no evidence of any data breach as a result of the system error here.

Mrs H and Mr H didn't agree with the investigator's view and asked for the matter to be referred 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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mrs H and Mr H to make a payment using Halifax's ATM, getting a receipt for that amount only to find a different amount had been sent to their credit card provider.

As our investigator has explained, it's not the role of this service to scrutinise Halifax's complaints process or to tell Halifax how it should deal with complaints more widely. I know Mrs H and Mr H are unhappy with the way Halifax have prioritised their complaint – but my role is to look at what's fair and reasonable in the individual circumstances of a complaint. So, when looking at this complaint I will consider if Halifax acted reasonably when it provided Mrs H and Mr H with the explanation regarding the problem they experienced sending a payment via its ATM and if any breach of data has resulted because of this.

The first thing to say here is with regards to the issue of a breach of data, I can't see any evidence to suggest that is the case here as this matter relates to an ATM system fault.

Mr H has provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point he has made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything he's said – I have. But it's just that I don't need to comment on each individual point in order to reach a decision on what's fair and reasonable.

Mrs H and Mr H's main cause of concern here seems to centre around the fact Halifax haven't been able to provide them with any detailed explanation why the error occurred when Mr H made his credit card payment through their ATM. Mrs H and Mr H aren't happy that Halifax have simply told them it was a system error and they have concerns this will reoccur, without Halifax understanding the root cause of the problem. Mrs H and Mr H say they have lost trust in Halifax and its systems.

I understand the points Mr H makes here, but what he is asking here is for me to tell Halifax it must provide him with an explanation why the error occurred and that this issue won't reoccur in the future - but unfortunately I can't. What I can say is having questioned Halifax, it has confirmed no similar instances have occurred at the ATM Mr H used, either before or

after his transaction and hopefully that offers some level of comfort to Mrs H and Mr H here.

While I understand that may not provide Mrs H and Mr H the specific reassurance they wanted here, given the large volume of transactions passing through Halifax's systems, unfortunately there's always a small possibility that unexplainable and unusual errors like this may occur. I do understand that Mrs H and Mr H may feel this has damaged its trust in Halifax's systems, but I haven't seen any evidence to suggest there are major systemic problems here and Halifax have told this service it hasn't had any such recurrence as I mentioned earlier.

All I can say is if Mrs H and Mr H still feel this way they do of course have the option of considering alternative banking arrangements. My role is to ensure when such errors occur, Halifax apologise and offer an appropriate level of compensation and I'm satisfied it has now done that here. I say this because Halifax have during the course of this investigation accepted it could have handled Mrs H and Mr H's complaint more efficiently and have agreed to increase the level of redress to a total of £150 having already paid them £50.

While Mrs H and Mr H will be disappointed with my decision, I won't be asking anymore of Halifax, and I will leave it with them to contact Halifax if they now wish to accept its increased offer of compensation.

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 Mrs H and Mr H to accept or reject my decision before 2 April 2024.

Barry White
Ombudsman