



The complaint

Mr C complains that Bank of Scotland plc trading as Halifax was unable to make an on-line payment from his bank account to a loan account within the same group.

What happened

Mr C attempted to make payments to his loan account on-line. Unfortunately, the payments could not be processed as the system Halifax uses only allows Mr C to select an account within the same brand. Although Halifax proposed a way in which Mr C could make the payments to his loan account, he experienced further problems, and this resulted in long telephone calls with Halifax trying to resolve the matter.

When Mr C complained, Halifax apologised and explained it was aware there was an ongoing issue that caused Mr C difficulties in making his loan payment on-line. Halifax suggested alternative ways for the payment to be made and paid Mr C £200 for the inconvenience this had caused. In a separate response, Halifax paid Mr C a further £30 for the time he'd spent on the telephone trying to resolve the issue.

Mr C brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator considered all aspects of Mr C's complaint and how the service provided by Halifax had exacerbated Mr C's on-going health condition. The Investigator thought it would be fair and reasonable for Halifax to pay a further £250 to reflect the impact of the poor service on Mr C.

Mr C asked that an Ombudsman decides the complaint.

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.

I understand Mr C has strong views about the remedy he should receive, but for very much the same reasons as our Investigator, I've decided that a further payment of £250 – in addition to the £230 Mr C has already received – is a fair and reasonable remedy for the poor service raised in this complaint. I will now explain why.

The crux of this complaint is that Mr C was unable to make a payment to his loan account on-line in May 2023. Halifax accepts its payment system made it difficult for Mr C to make payments to his loan account on-line. Halifax did provide Mr C with alternative ways of making the payment but accepts Mr C had further problems. This resulted in Mr C spending over five hours – on the same day - talking to Halifax on the telephone attempting to resolve the matter. Overall, Halifax accepts that the service it provided wasn't as good as it should have been.

It's not the role of the Financial Ombudsman Service to punish a business if things go wrong – that is for its regulator, the Financial Conduct Authority. In this case, as Halifax accepts it got things wrong, my role is to decide whether the remedy it offered is a fair and reasonable

one in the circumstances. In this case I think Halifax should do more than it has already done to resolve the complaint.

When Mr C attempted to make a payment to his loan account on-line it's reasonable that he would have expected the payment to be made without much inconvenience. In this case, Halifax's internal systems made it more difficult for the payment to Mr C's loan to be made. I can't tell Halifax what system it should use, or how payments should be made – that is for Halifax to decide. But in this case, I'm satisfied that Halifax caused Mr C inconvenience and distress when he first attempted to make his loan payment in May 2023. Then, when Mr C attempted to make another payment, he experienced a similar issue and spent a considerable amount of time on the telephone with Halifax trying to resolve the matter.

After Halifax provided Mr C with a new debit card, there was a further delay in ensuring the card was fully activated, but I'm satisfied this was resolved by mid-August.

When deciding what award is appropriate, I take into account a range of factors but come to one figure. It's unhelpful to list all ways a complainant was impacted with an associated cost for each one, and there isn't a formula for calculating the overall impact. Our approach is to look at all the circumstances and decide a total figure that puts right what happened. Mr C says it's taken him *"2-3 weeks of work"* to deal with his complaint. We're all inconvenienced at times in our day-to-day lives – and it's not unusual to experience a certain level of frustration and minor annoyance when dealing with financial businesses. In Mr C's case, taking into account the health issues he's disclosed, I've decided that the impact on him was significant and required a lot of effort for him to try and resolve the matter. Therefore, I've decided Halifax should pay Mr C a further £250. I'm satisfied this is a fair and reasonable payment to resolve the complaint and in-line with the guidance provided in our website: Compensation for distress and inconvenience

Mr C asked that I consider telling Halifax to correct his credit report and to pay interest on any remedy. However, I've not seen any evidence that the missed payments had an impact on Mr C's credit report, and I don't think telling Halifax to pay interest on any remedy for distress and inconvenience is fair and reasonable. Regardless of this, the payment Mr C attempted in May 2023 was more likely than not an additional payment towards the loan and not a contractual payment – which suggests no payments were missed. Halifax gave Mr C a telephone number to call if he wishes to make any further payment to the loan and explained it's unable to make payments without Mr C making contact in this way. I don't think this is unreasonable if Halifax's system can't make a payment any other way.

My final decision

For the reasons I've detailed above, I've decided that Bank of Scotland plc trading as Halifax should pay Mr C a further £250 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 April 2024.

Paul Lawton
Ombudsman