

The complaint

Mr C complains that Bank of Scotland plc trading as Halifax mis-sold him travel money.

What happened

On 1 May 2023, Mr C placed an online foreign travel money order with Halifax. Mr C says the way that Halifax advertised the process meant he expected to receive delivery of the money the day before his holiday.

However, once Mr C placed the order, Halifax's website showed that delivery would not take place until 3 May 2023. As this was the same day that Mr C was due to leave for his holiday, he contacted Halifax to cancel the order. Halifax said this was not possible but that he should refuse delivery and the money would be recredited to his account.

Mr C refused delivery on 3 May 2023 via his smart doorbell. After conflicting information from Halifax, the money was refunded to him later in May 2023. Mr C was unhappy to find that Halifax refunded less than he had originally paid for the travel money due to the exchange rate used.

Before coming to our service, Halifax paid Mr C £75 compensation and offered a further £100. Halifax also made up the difference in the travel money refund and offered to refund foreign transaction fees, the travel smart fee and pay £4 interest for being deprived of funds.

After considering his complaint, our investigator agreed that Halifax's website was unclear and could understand why Mr C expected to receive the travel money the next day. Our investigator agreed that the refund process was harder than it should have been.

Our investigator said she couldn't see evidence of any returned payments because of the delay in the refund. She noted that Mr C's current account had not become overdrawn and she couldn't see evidence of credit card interest on spending overseas.

Overall, our investigator thought that £175 compensation together with a refund of expenses was a fair way for Halifax to put things right.

Mr C disagrees with the investigation outcome. He says he found the experience stressful and had started to think that Halifax was not going to refund the money to him. Mr C says it took several months and many attempts to sort things out. Mr C says that Halifax made the complaints process distressing and made a decision without talking to him.

Mr C says he does not have an overdraft facility to use and had to use his credit card instead. Mr C says the investigator has not mentioned Halifax's failure to supply a transaction receipt which he says is in breach of distance selling regulations.

Having looked at guidance on the Financial Ombudsman website, Mr C thinks an award between £300 and £750 would be fairer.

Our investigator went back to Mr C to say she still thought Halifax's offer was fair. She said she had considered Mr C's concerns about Halifax's breach of distance selling regulations

but did not think this had an impact as there was no dispute about how much Mr C had originally paid for the travel money or whether he had made the payment.

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 am sorry to hear about the difficulties Mr C has faced, particularly given his mental health concerns. I don't think there is any dispute that Halifax let Mr C down, first in the way that it presented information about its' travel money delivery timescales and then when managing the refund process. So, my decision focusses on whether Halifax has already done and offered enough to put things right. I don't wish to disappoint Mr C but overall, I consider Halifax's response to his complaint has been reasonable.

Where a business makes a mistake I look to try and put the customer back in the position they would have been had the mistake not happened. I can also award compensation for any upset and inconvenience the mistake may have caused.

I can't see evidence from the statements Mr C supplied that he used his credit card abroad. And I can't see that Mr C incurred interest on his credit card because of needing to use it when he was deprived of the travel money refund for longer than expected.

Halifax has already refunded the total cost of the travel money. Halifax has also offered to pay the following amounts:

- £4.23 in foreign transaction fees incurred on Mr C's debit card
- £7 for the travel smart feature Mr C bought
- £4 interest at 8% on the funds for the time Mr C was deprived of them

So, I am satisfied that Halifax will have put Mr C back in the same financial position he was before the mistake happened.

This brings me to the compensation Halifax has paid and offered for the upset and inconvenience caused. I appreciate Mr C's point of view that the stress caused to him merits a higher award of compensation in line with the examples that we set out on our website.

I don't wish to downplay the impact Halifax's mistakes had on Mr C but I still consider a total award of £175 is fair compensation. I say this because although I agree that Halifax's mistakes led to wasted time for Mr C including an unnecessary trip to a branch, most of the travel money was refunded to Mr C on 22 May 2023, making the worry about not receiving a refund relatively short lived.

I know that Mr C continued to disagree about the level of compensation he should receive which resulted in Halifax changing its decision later in June 2023. But this aspect of Mr C's concerns relates more to Halifax's handling of his complaint, which as our investigator explained, is not a regulated activity which we can consider a complaint about.

Taking account of the compensation guidance available on our website, I still think a compensation award totalling £175 plus a refund of out of pocket expenses, fairly reflects the impact Halifax's mistakes had on Mr C.

My final decision

Halifax has already made an offer which I think is fair. So my final decision is that Bank of Scotland plc trading as Halifax should pay Mr C the remainder of the compensation it has offered of £100, together with £15.23 in fees and interest as outlined above in my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 March 2024.

Gemma Bowen
Ombudsman