

The complaint

Mr S is unhappy with the service he received from Bank of Scotland plc, trading as Halifax, surrounding a recall of balance transfer.

What happened

Mr S called Halifax to complete a balance transfer recall from an account he held with another Bank. At that time, Halifax confirmed to Mr S that they would apply for the balance transfer recall from the other bank and that it could take up to 21 working days (just over four weeks) for the recall to complete.

Several weeks later, Mr S called Halifax to chase the balance transfer recall as the money wasn't showing as having been received back into his Halifax account but was showing as having been returned to Halifax by the bank from which it was being recalled from.

At that time, Halifax explained to Mr S that they had no record of receiving his money back from the other bank and asked Mr S to obtain all information about the returned money from the other bank and provide it to them. Mr S contacted the other bank and confirmed all the details of the transfer back to Halifax with them and relayed that information to Halifax as requested, but Halifax still couldn't find his money.

This led to Mr S having to spend a large amount of time on the telephone with both Halifax and the other bank to try to locate his money. And the fact that both Halifax and the other bank claimed that they didn't have his money caused him significant upset and distress.

Eventually, after several further weeks, Halifax found that the other bank had sent Mr S's money back to them roughly a month after the balance transfer recall had been submitted by them to it. However, Halifax hadn't identified that the received money belonged to Mr S such that it had remained unrecognised in a suspense account for over a month before being credited back to Mr S's account. Mr S wasn't happy about what happened and felt that he'd incurred significant and unnecessary upset and inconvenience because of Halifax's mistake. So, he raised a complaint.

Halifax responded to Mr S and apologised for their mistake. They explained that when Mr S completed the balance transfer to the correct recipient that they would honour a 0% interest offer on that balance transfer that was no longer available to Mr S because of their delay in crediting his returned money to his account. And they also refunded two balance transfer fees – totalling £230.59 – to Mr S's account.

Finally, Halifax sent Mr S a cheque for £300 as compensation for any trouble or worry he may have incurred. Mr S wasn't satisfied with Halifax's response and felt that a larger amount of compensation was merited. So, he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that Halifax's response to this complaint – including the payment of £300 compensation – already represented a fair and reasonable resolution to what had happened. Mr S remained dissatisfied, so the matter was escalated 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.

I issued a provisional decision on this complaint on 20 February 2024 as follow:

Halifax don't dispute that they made a mistake by not initially recognising that the money they received from the other bank was Mr S's balance transfer recall. And it's clear that Halifax's non-recognition of this fact led to Mr S being incorrectly informed that Halifax didn't have his returned money for several weeks.

When a business such as Halifax accepts that it made a mistake, it would generally be expected by this service that the business would undertake two separate courses of action. The first of these is that the business would take whatever corrective action was necessary to return its affected customer – as much as is reasonably possible – to the position they should be in, had the mistake never occurred.

I think that Halifax have done that here. I say this because Mr S's money has now been credited back to his account as it should have been. Also, Halifax confirmed it would honour a 0% balance transfer offer that expired during the time that they incorrectly believed Mr S's money hadn't been returned to them and which Mr S therefore wasn't able to take advantage of because of Halifax's mistake.

But it would also be expected that Halifax, in addition to taking whatever corrective action was necessary, would also assess the impact of their mistake on Mr S and offer fair compensation to him for that impact – both for the trouble and inconvenience Mr S incurred and for the frustration and worry he may have experienced.

Halifax did consider the upset and inconvenience that Mr S incurred in their response to his complaint, and they sent a cheque for £300 to him as their offer of compensation for what had happened. However, upon review, I don't feel that this amount is a fair compensation amount in consideration of the impact of what happened on Mr S.

Mr S has provided detailed and consistent testimony to this service about the impact of Halifax's mistake on him. This includes that Mr S had to spend a large amount of time speaking not only with Halifax – who incorrectly and repeatedly explained to him that they hadn't received the money from the other bank – but also with the other bank – who correctly and repeatedly explained to him that they had returned the money to Halifax.

Additionally, Mr S has explained how the fact that his balance transfer amount, which was a relatively significant amount of money, appeared to have been lost by both Halifax and the other bank, with neither bank accepting responsibility for what had happened, caused him considerable upset and distress. And I find Mr S's testimony on these points to be both understandable and persuasive.

Ultimately, as explained, I don't feel that the £300 offered by Halifax does fairly compensate Mr S for what happened here. And so, my provisional decision is that I uphold this complaint in Mr S's favour and instruct Halifax to pay an increased total compensation amount of £550 to Mr S, which I feel more fairly reflects the impact of their mistake on him.

In arriving at this position, I've considered the impact of these events on Mr S, as he's repeatedly and consistently described them to this service. And I've also considered the general framework which this service uses when assessing compensation amounts – details

of which can be found on this service's website.

Finally, I've also considered that Halifax have reimbursed two separate transfer fees to Mr S totalling £230.59. And while it seems reasonable to me that Halifax would reimburse one such fee at their discretion – given that this complaint relates to one balance transfer – I feel that the reimbursement of the second fee should reasonably be taken into account when the issue of compensation is being considered.

Accordingly, my provisional instructions to Halifax are that they must confirm whether Mr S cashed the £300 cheque that they sent to him, and if so, make a payment of a further £250 to him. Alternatively, if Mr S hasn't cashed the £300 cheque to date, Halifax should cancel that cheque and make a replacement payment of £550 to Mr S.

Mr S responded to my provisional decision and reiterated a part of his prior testimony that when he called Halifax about his missing money, he was told at one stage that Halifax had searched for his money as much as they could and that Mr S shouldn't call Halifax about the money again because Halifax were certain that they didn't have it. And Mr S has also said that he feels Halifax should be instructed to pay a further £500 to him for the trouble and upset he's experienced here – rather than the additional £250 that I provisionally instructed.

I can appreciate how being told by Halifax to not call them again would have been upsetting for Mr S, and I'd like to reassure him that I did consider this part of his testimony previously, when I arrived at my provisional decision. Indeed, it was in full consideration of Mr S's testimony about the poor service he'd received from Halifax and the impact of that poor service on him that I provisionally instructed Halifax to pay a further £250 compensation to him, beyond the £300 that he's already received.

Ultimately, having looked at this complaint again, I continue to feel that a total compensation amount of £550 is a fair compensation amount given what happened here – for the reasons explained in my provisional decision. And so, while I appreciate that Mr S may not agree, I won't be instructing Halifax to pay anything above that £550 total compensation amount.

Halifax also responded to my provisional decision letter and confirmed that Mr S cashed the compensation cheque for £300 that they'd sent to him on 9 September 2023. As such, my final decision here will be that I uphold this complaint in Mr S's favour and that Halifax must make a further payment of £250 to Mr S – taking the total compensation amount to £550.

Finally, Mr S has said that he wants Halifax to be punished for the poor service they've provided to him here. But this service isn't a regulatory body, and so it isn't within my remit to punish or fine Halifax as Mr S would like. Rather, my remit is focussed on arriving at what I feel is a fair outcome regarding this specific complaint. And, for the reasons I've explained in all of the above, I feel that instructing Halifax to pay a further £250 compensation to Mr S for the poor service he's received fulfils this remit and provides a fair outcome to this complaint.

I realise that this may not be the outcome Mr W was wanting. But I hope he'll understand, given everything that I've explained, why I've made the final decision that I have.

Putting things right

Halifax must make a further payment of £250 to Mr S, in addition to the £300 that they've already paid him – taking the total compensation amount to £550.

My final decision

My final decision is that I uphold this complaint against Bank of Scotland plc, trading as Halifax, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 April 2024.

Paul Cooper
Ombudsman