

The complaint

Miss A complains that Bank of Scotland plc trading as Halifax should pay more compensation than offered so far in connection with its admitted poor service concerning mistakes made when she tried to set up a standing order ('STO').

What happened

In brief outline, Miss A phoned Halifax on 8 December 2022 with instructions to set up a monthly STO for £300. Due to miscommunication, Halifax instead processed a faster payment into Miss A's account at another bank, which put her Halifax account into overdraft.

When Miss A contacted Halifax to sort out the mistake, she was told that Halifax would recover the payment and the money would be back in her account that evening. In the event, that didn't happen until four days later.

Miss A wanted to pursue a complaint about what had happened but the agent she spoke to recorded the complaint incorrectly against a different bank in the Bank of Scotland group. This led to confusion when Miss A was contacted unexpectedly by that other bank the next day. This necessitated Miss A spending further time on the phone speaking to various people at Halifax, when Miss A had to explain everything again. Miss A was upset and, at times, the conversation became heated. At one point, Halifax explained it didn't tolerate staff being spoken to in a hostile, angry or rude manner.

Miss A was unhappy about the errors Halifax was responsible for and also the unacceptable way she feels she was spoken to on the phone on occasion.

Halifax upheld her complaint in part, acknowledging it made an error and agreeing it could've provided a better service. But Halifax said that Miss A could easily have reversed the payment herself, given that the money had gone into an account she controlled. It also said its staff weren't expected to deal with any customer exhibiting abusive, threatening or offensive behaviour and that it had come close to re-considering its business relationship with her. Ultimately, Halifax offered Miss A £75 redress in total, to cover distress and inconvenience caused as well as the cost of her phone calls and the overdraft charge incurred.

Miss A wasn't happy with this response so one of our investigators looked into her complaint. Whilst our investigator didn't think comments Miss A had made on the phone towards a Halifax staff member were appropriate and that the agent dealt with the call in a professional manner, he also thought that Halifax needed to do more to put things right. He suggested Halifax should pay an additional £125 compensation – bringing the total redress amount to £200.

Miss A didn't agree with the investigator's proposed settlement. She mainly said she felt the investigator had completely overlooked the following three essential points:

- 1. She offered to reverse the £300 payment twice to two different people.
- 2. The complaint handler did not partially blame her – she put the blame for

- what Miss A described as a 'nightmare' completely on Miss A.
- 3. Miss A has a debilitating health condition which meant she was already physically and mentally exhausted before she went to the branch. Her experience left her '*...in tears and seriously drained*' and '*...beyond exhausted*' the next day, to the extent that she wasn't able to do food shopping.
- Miss A also took exception to the investigator commenting on her behaviour and describing Halifax's conduct as 'professional' when the agent had failed to set up the STO payment as instructed and recorded her complaint against the wrong bank.

Miss A has asked for an ombudsman to review the complaint, so it has come to me to decide.

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've carried out an independent review and having done so, I've reached the same conclusion as our investigator.

I'm sorry that Miss A feels the investigator has not properly addressed the complaint. We provide an informal service as a free alternative to the courts and this is reflected in our approach. Our role is to decide what's fair and reasonable in all the circumstances of a complaint.

The main background facts are not in dispute. Halifax accepted that it made an error when it didn't set up the STO in line with Miss A's instructions and instead paid £300 out of her Halifax account straightaway. It took longer than it should've done to rectify this error. It also got things wrong again when it incorrectly failed to record Miss A's complaint against Halifax. So as Halifax has upheld the complaint, I will concentrate on the question of fair redress, which is the main reason Miss A has requested an ombudsman referral.

I can see that Miss A has been caused upset and suffered significant inconvenience during the course of her dealings with Halifax. I've carefully listened to the call recordings provided. I am satisfied that the Halifax agents I've heard speaking to Miss A dealt with her throughout in a professional manner.

Whilst Halifax had made mistakes – that's not in dispute – I'm just thinking here about the way Miss A was spoken to on the phone. I make no comment on Miss A's part in those conversations. But I find it was reasonable in the circumstances of the call for Halifax to explain its policy on dealing with customers it considered were speaking to staff in ways that it considered unacceptable.

That said however, I can understand why Miss A feels Halifax should be held to account for its admitted poor handling of matters.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Miss A in the position she'd be in if Halifax hadn't been responsible for the poor service issues it has admitted. So my starting point is to think about the impact on Miss A of what happened.

I've thought first about financial loss. I haven't been provided with anything to show that Miss A is out of pocket as a result of what happened. As far as I can see, Halifax has already addressed the cost of Miss A's phone calls and the overdraft fee.

Fair compensation isn't however just about monetary loss – it also needs to properly reflect the wider impact on Miss A of Halifax's service failings.

Generally, we expect consumers to take reasonable steps themselves to limit the impact of things going wrong. Miss A could have put things right herself by simply moving the money from the account it was paid into, back to her Halifax account. And Miss A said she was willing to do this. But Halifax didn't tell her to do that. It said it would rectify its mistake. Unfortunately, Halifax didn't manage to resolve the problem as quickly as everyone expected. Halifax has explained why the correction wasn't actioned straightaway on request. But the key point for me is that the delay, keeping in mind Halifax was supposed to be correcting its original error, wasn't Miss A's fault. I think it's fair to recognise that this delay impacted adversely on Miss A and added to the upset of finding herself in a situation that she wasn't responsible for causing.

I've also taken into account that the payment resulted in Miss A's account going overdrawn. So I can appreciate that, as well as being annoyed at what happened, she had reason to be worried about the financial impact. And I can hear from the phone call how upset Miss A was when she discovered that Halifax hadn't credited the £300 back to her account when it said it would, putting her in an overdraft situation.

Matters were made worse when Halifax mistakenly recorded the complaint incorrectly – resulting in Miss A being further inconvenienced. And I can see that this would've caused Miss A further stress in this situation. She put things this way: '...you think you have a problem, then you find out you've got another problem. And then, I find out today I've got another problem...'

I think that's a reasonable summary of the situation Miss A found herself having to deal with. And in the particular circumstances of Miss A's complaint, I think it is reasonable that Halifax should bear responsibility for the aggravation and upset its actions caused Miss A.

The £200 overall figure suggested by the investigator matches the level of award I would make in these circumstances had it not already been proposed. I don't doubt that Halifax's poor handling of matters, as described above, caused Miss A significant distress and inconvenience. I am satisfied that £200 is in line with the amount this service would award in similar cases and it is fair compensation for Miss A in her particular circumstances.

I have set out below the steps Halifax is required to take.

Putting things right

Halifax should pay Miss A £200 compensation in total to reflect the impact on her of its admitted poor service.

Halifax can set off against my award any compensation it has already paid Miss A in connection with this complaint.

My final decision

I uphold this complaint and Bank of Scotland plc trading as Halifax should take the steps set out above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 28 June 2024.

Susan Webb
Ombudsman