

The complaint

Mrs B on behalf of Mr B complains about how Bank of Scotland plc trading as Halifax dealt with an account transfer.

What happened

Mr B applied to transfer his Individual Savings Account (ISA) from Halifax to a different provider. The application was made in March 2023 and wasn't actioned by Halifax. The process has had numerous problems which has resulted in numerous visits by Mr B's family to a Halifax branch, numerous calls to Halifax and the new account being closed by the new ISA provider. On one occasion a branch visit took two hours and there has been a loss of interest.

Halifax agrees it provided poor service and paid £100 compensation to Mr B and his sister. It has apologised and says the problem was caused by not having a parental signature on its records, which it accepts was also its mistake.

The complaint was brought to us, and our investigator upheld the complaint. The investigator thought Mr B should be paid in total £125 compensation which is an increase of £75. The investigator also recommended interest be reimbursed from the application date in March 2023 until transfer.

Mr B and his family initially accepted that view and provided Halifax with new transfer forms as well as evidence of the interest rate offered by the new ISA provider.

Halifax also accepted that view.

Mr B's family says the transfer has not been actioned and the new provider has again closed the account. They say no interest has been paid by Halifax and have asked that an ombudsman review the complaint.

My provisional decision

I issued a provisional decision about this complaint and thought that Halifax should increase its compensation offer and that I didn't think £125 compensation was fair and reasonable in these circumstances.

I made clear to the parties that I could only deal with the events that Halifax had investigated and not any new complaint points. I said that as there may be a new complaint about the events that had taken place after Halifax agreed to pay compensation, interest and transfer the account. I said I couldn't deal with those new events in this decision, as Halifax must be given an opportunity to investigate them and clarify if the account/money still had ISA status.

I said the circumstances here were well known to the parties and there was no real dispute about them. So, there was no need for me to set out in detail what took place. But I accepted this issue took a significant amount of time and required Mr B's family to attend a Halifax branch on numerous occasions as well as making numerous telephone calls to resolve what

I thought ought to have been a straightforward issue. I had no doubt a significant level of distress and inconvenience was caused here.

I didn't think £125 compensation was fair or reasonable for this complaint or that it reflected the length of time it had taken. I also thought it took Halifax some time to identify the core problem about the signature. I was satisfied that Mr B and his family also had to spend time speaking to the new ISA provider which was caused by Halifax's mistake and that the applications had to be renewed.

I thought that Halifax should pay £250 to Mr B which I thought was fair and reasonable and in line with the type of awards we make for a significant issue taking a significant time period. And for multiple occasions of different types of inconvenience.

I appreciated that Halifax wanted to wait until the transfer to pay any interest difference. But I thought in the circumstances that ought to be calculated and paid. I could see that Halifax had details of the interest rates and ought to be able to confirm what was the up-to-date position with the applications.

I also hoped Mr B's family could provide an update in respect of the transfer.

Overall, my provisional view was that Halifax should increase the compensation amount for the reasons I set out.

Halifax says it has nothing to add to my provisional view but repeats its apology for what took place. It says it does not have an up-to-date signature and so the transfer hasn't taken place.

Mrs B says Halifax has the signature and has always had it. She says the transfer hasn't taken place.

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 have come to the same overall view that I reached in my provisional decision and for the same reasons.

I have made clear I can't deal with any new complaint points in this decision or complaint points that Halifax hasn't investigated. That means I can't comment on the signature issue and no doubt Mrs B can raise that with Halifax.

I appreciate that the interest payment can not be left open ended or until any transfer is made due to the signature issue. Halifax has agreed to pay the interest difference and that should be calculated up to the compensation payment date if this decision is accepted.

Putting things right

Halifax should pay a total of £250 compensation and pay the interest difference as it's agreed to do.

My final decision

My final decision is that I uphold this complaint and order Bank of Scotland plc trading as Halifax to pay Mr B a total of £250 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 24 August 2024.

David Singh
Ombudsman