

The complaint

Mrs S is unhappy that Bank of Scotland plc, trading as Halifax, incorrectly marked her as being deceased following the sad passing of her husband.

Mrs S's complaint is brought to this service by her authorised representative. However, for ease of reference, I will refer to Mrs S solely throughout this letter.

What happened

Mrs S held a joint Halifax bank account alongside her husband, as well as another Halifax account that was solely in her name.

Sadly, in March 2023, Mrs S's husband passed away. Mrs S notified Halifax of her husband's death and was told that the joint account that she had held with her husband would be converted to a sole account in her name and that the sole account which she already held would remain as it was. Mrs S was also told that all direct debits and other regular payments would be unaffected and would continue to be paid.

Unfortunately, following Mrs S notifying Halifax of her husband's death, Halifax incorrectly recorded Mrs S herself as being deceased. This resulted in Halifax blocking all of Mrs S's Halifax accounts without any notice being given to Mrs S. And this meant that Mrs S couldn't access any of the money present in her accounts or receive any money from third parties. Additionally, all of Mrs S's scheduled payments – including her Halifax mortgage direct debit – went unpaid, all at a time when Mrs S was grieving the loss of her late husband. Mrs S wasn't happy about what had happened, so she raised a complaint with Halifax.

Halifax accepted that they had made a mistake and apologised to Mrs S for what had happened. Halifax corrected their error and reinstated all of Mrs S's scheduled payments, and they also promised to amend Mrs S's credit file and remove any adverse reporting she may have incurred on her Halifax products because of the error. Finally, Halifax made payments totalling £550 to Mrs S as compensation for the upset and trouble she'd incurred. Mrs S wasn't satisfied with Halifax's response and felt that a larger amount of compensation was merited. So, she referred her complaint to this service.

One of our investigators looked at this complaint. They felt that Halifax hadn't quite grasped the impact of what had happened on Mrs S, and noted that Mrs S's credit file continued to be adversely affected, despite Halifax's promise to correct it. Because of this, our investigator said that Halifax should pay a further £200 to Mrs S, taking the total compensation payable to £750, and that they should ensure that Mrs S's credit file is correctly amended.

Halifax accepted the recommendations put forward by our investigator. But Mrs S remained dissatisfied with the £750 total compensation amount suggested by our investigator, and 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.

When a business has made a mistake – as Halifax accept that they have here by incorrectly recording Mrs S as deceased – this service generally looks to achieve two main outcomes.

This first of these outcomes is to ensure that the business undertakes the necessary corrective action so that the complainant is returned – as much as is reasonably possible – to the position they should be in, had the mistake never occurred. While the second outcome is an assessment of whether the business should fairly be instructed to pay compensation to the complainant in consideration of any upset or inconvenience that complainant may have unfairly incurred because of the business' mistake.

Considering the first of these outcomes – that Mrs S should be returned as closely as possible to the position she should have been in had the mistake not occurred – I note that Halifax have corrected their error and that the Mrs S does now have access to the two accounts, both of which are now solely in Mrs S's name. I also note that Halifax have restored the scheduled payments that were present on Mrs S's accounts before they incorrectly stopped those payments.

Halifax's actions in these regards feel fair to me. However, I note that while Halifax did promise Mrs S that they would amend her credit file so that she didn't incur any adverse credit file reporting on her Halifax financial products, that this wasn't correctly done.

In their review of this complaint, our investigator said that Halifax should take immediate steps to correct Mrs S's credit file reporting. And in their acceptance of that review, Halifax confirmed that Mrs S's credit file reporting would be amended at the earliest opportunity and that the matter would be monitored by Halifax until it could be confirmed that the credit reference agencies had amended Mrs S's credit file as instructed by Halifax.

It can take the credit reference agencies several weeks to implement the amendment requests sent to them by banks such as Halifax. But I do feel that the correcting of Mrs S's credit file would represent the last piece of corrective action that should be undertaken to return Mrs S's financial affairs to the position they should be in, had Halifax's mistake of recorded her as deceased never occurred. And I'll be instructing Halifax to ensure that this takes place accordingly.

This leads me to consider the second outcome I listed above – the issue of potential compensation for Mrs S because of what happened.

Matters of compensation can be subjective. This is especially the case in circumstances such as this, where the consequences of Halifax's error were felt by Mrs S at a time when she was grieving the recent loss of her husband. And I don't doubt that the impact of what happened here on Mrs S was magnified because of the difficult personal circumstances she was unfortunately subject to at that time.

Halifax have accepted that Mrs S should be compensated because of the impact of their mistake on her. And they've apologised to Mrs S for this and made compensation payments totalling £550 to her as a result.

£550 is not an insignificant amount. But our investigator didn't feel that this £550 total compensation amount did represent a fair outcome for Mrs S in this regard, and they said that Halifax should pay a further £200 to Mrs S, taking the total compensation to £750.

I'm aware that Mrs S still doesn't feel that this increased total amount of £750 compensation provides fair recompense to her in light of what happened. But, upon consideration, the £750

total compensation amount as recommended by our investigator does feel fair to me. And so, I'll be upholding this complaint in Mrs S's favour on that basis.

In arriving at this position, I've considered the impact of what happened on Mrs S, and I thank Mrs S for providing a detailed explanation of that impact to this service. Additionally, as explained above, I've also considered that the events in question took place at a time when Mrs S was already distressed following the death of her late husband. Finally, I've considered the general framework that this service uses when assessing compensation amounts, details of which are available on this service's website. And, taking all these factors into account, I feel that £750 is a fair total compensation amount.

I realise that Mrs S may disagree here, and I acknowledge that the only person who can truly understand the impact of what happened here on Mrs S is Mrs S herself. I also sympathise with Mrs S on a personal level about what happened here, both regarding the sad passing of her husband and the unnecessary additional strain she endured because of Halifax's error.

However, in my professional capacity as an ombudsman, it falls to me to make a decision as to what constitutes fair compensation in the context of this complaint. And, for the reasons I've explained above, I feel that £750 is a fair total compensation amount in this instance.

I hope that Mrs S will understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Halifax must pay a further £200 to Mrs S, taking the total compensation amount to £750.

Halifax must also ensure that Mrs S's credit file is correctly amended.

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 Mrs S to accept or reject my decision before 4 September 2024.

Paul Cooper
Ombudsman