

## **The complaint**

Mr P complains about information given to him by Bank of Scotland plc trading as Halifax (Halifax) when he opened an account with them. As a consequence, Mr P missed out on credit interest.

## **What happened**

In November 2022, as an existing customer, Mr P visited a branch of Halifax to open an account for the proceeds of the estate of one of his relatives, stipulating that the account must pay credit interest. After asking Mr P some questions, the Halifax staff member with whom Mr P spoke directed him to their app to open the account which he did, and the account was opened.

In July 2023, Mr P visited the same Halifax branch to request a statement and during the conversation, an executor account was mentioned, in view of the fact that the funds were from the proceeds of an estate. The staff member then told Mr P that he should continue with the account the funds were already in, as that account paid interest, and after the statement was ordered, the visit ended.

Some months later, Mr P contacted Halifax and realised that the account he had opened had not, and did not pay credit interest and therefore logged a complaint. Mr P raised two points; firstly about the poor service he received from the branch when he opened the account, and also that no interest had been paid despite his stipulation on opening.

Halifax investigated the complaint and wrote to Mr P apologising for the poor service he received in branch and upheld this aspect, awarding £100 as compensation. Halifax did not uphold the interest issue saying their current accounts do not pay credit interest, and suggested this may have been why Mr P was not told this information when he spoke to the branch to open the account.

Mr P responded to the Halifax letter identifying inaccuracies in some aspects of what Halifax put in their letter. Consequently, Halifax wrote again to acknowledge Mr P's concerns, this time awarding a further £50 made up of £25 to represent the letter errors, and £25 to represent transport costs to Mr P for visiting their branch. Halifax also reiterated their position on the interest issue saying they could not address this. Mr P decided to bring his complaint to our service.

Additionally, Mr P responded to Halifax's follow-up letter and as a result, Halifax then issued a final, third letter in which they referred Mr P back to their previous two letters, and said after performing a review of the complaint, their decision had not changed.

Our investigator looked into the complaint and issued their view. In it, they acknowledged the unclear information provided by Halifax, but also said as Mr P opened the account himself, he could have done more to ensure it was suitable for his needs. Our investigator recommended that in addition to the £150 that Halifax had already paid, Halifax should cover half of the potential interest Mr P could have earned while the account was open, and Halifax should use an interest rate of their highest earning instant access savings account.

Halifax agreed to this but Mr P said he wanted more time to consider it, plus more details as to the interest calculation. After a period of time, Mr P rejected the offer saying 50% of the interest was not sufficient, and provided some more information to our investigator.

After review, our investigator said their view had not changed. Mr P then responded to question a number of points, which our investigator took to Halifax to clarify. As a result, our investigator issued their final view in which they covered a number of points. That on account opening and within the welcome pack that Halifax sent, as no interest rate was shown, it was reasonable to think there was no interest paid. That our investigator was not present in the branch for either visit so they could not say what was said. And finally, that Mr P did receive statements for the account, albeit a small amount, which did not show an interest rate, or interest being applied.

Mr P disagreed and consequently, he requested an ombudsman review his complaint.

### **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 have looked at the information Halifax has supplied to see if it has acted within its terms and conditions and to see if it has treated Mr P fairly.

It is always regrettable when we see a relatively simple process like opening an account result in a poor experience and I sympathise with Mr P for the frustration he experienced. It's our role to identify if a business has made a mistake and if so, look at the impact this has had on the consumer.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

In terms of the errors made, I'm glad to see that Halifax have apologised for the service they delivered in branch, and the letter errors, and awarded compensation.

Looking at the points that Mr P raised recently with our service which our investigator has responded to, I wanted to add my own thoughts. In terms of the account opening, I know Mr P has put forward a concern that doing so via the app on a smartphone was not ideal, but Halifax are entitled to have in place processes for account opening. Plus I agree with the thought that if the account paid interest, this would have been displayed, regardless of the screen functionality.

And moving onto the welcome pack for the account, Mr P says he didn't receive it, therefore would not have seen the absence of an interest rate. However, I've seen evidence that shows Mr P would have been presented with a screen which contained links to the welcome pack along with other documents such as the terms and conditions, bank charges, and the Financial Services Compensation Scheme.

Clearly, the significant aspect of this complaint is around what Mr P was told within his first and second visits to the Halifax branch about interest. Mr P has made it clear he feels very strongly that he was assured on both occasions that credit interest was a feature of the account he held, a subject he actively raised within each conversation. But as our investigator has stated, they were not present at either visit, and therefore cannot say what information was given to Mr P. And I also appreciate that Halifax have acknowledged that the information they gave should have been clearer. What I cannot get away from is the fact

that we cannot definitively establish what was said, or not said to Mr P so it follows that it would not be fair to request that Halifax pay all the missing interest.

I know Mr P has raised the point that within the relationship he has with Halifax, they are the professionals and therefore he trusted them. I can't comment on how professional Halifax were when they dealt with Mr P in the branch but the fact remains that I don't have irrefutable evidence in this complaint to address this vital aspect.

So whilst I very much empathise with Mr P and his situation, and appreciate the significant amount of information he has sent to this service, I do believe that Halifax's agreement to pay half of the missing interest is reasonable in the circumstances.

Looking at Halifax's errors in this complaint, they are limited to the unclear information given by the branch staff, and the errors within the final response letter.

With all of the above factors considered, I find that their amended offer of a total of £150 compensation is fair and reasonable in the circumstances, when broken down into what it represents.

I know Mr P will be unhappy with my decision but it's vital that I look at the case using the facts, and compensation through the lenses of fairness and reasonability

### **My final decision**

For the reasons I have given it is my final decision that the complaint is upheld. I require Bank of Scotland plc trading as Halifax to:

- Ensure that £150 in total has paid to Mr P as compensation.
- Pay half of the interest Mr P would have earned (for the period the funds were in the account) from Halifax's highest earning instant access savings account at the time. This figure I understand to be £1,066.38.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 October 2024.

Chris Blamires  
**Ombudsman**