

The complaint

Mrs R complains about Halifax Share Dealing Limited (HSDL). She's unhappy with the level of service they provided her with when she tried to reverse a payment she made to her ISA in error.

What happened

Mrs R was in the process of transferring her ISA from another firm (B1) to HSDL in September 2023. On 12 October 2023 she mistakenly paid £10,000 into her HSDL ISA instead of her non-ISA account. She's said she then contacted HSDL to explain what had happened and asked for the payment to be credited to her non-ISA account. She was told this would happen the next day, but this didn't happen and the impact of this was that the entire ISA transfer was subsequently rejected and returned to B1.

Mrs R complained to HSDL who investigated her concerns and upheld her complaint. They said that usually there would have been two options to resolve the erroneous payment - they'd either move the overpayment back to her nominee account or send the stock back to B1. They should have let her know these options but didn't, and in attempting to fix the error, they actioned both options.

They offered to pay her £50 in compensation for the inconvenience that had been caused. And they also asked her to send in evidence of any fees she'd incurred because of the reversal so they could offer redress for this aspect of the complaint. Mrs R accepted their findings and provided an invoice detailing costs of £580.82 she'd incurred from B1.

She got back in touch with them around a month later to say that she hadn't received any compensation and also to say that during the transfer a payment of £712.43 had been incorrectly credited to her ISA account instead of her non-ISA account.

Two weeks later she contacted HSDL to let them know that during the transfer, her dividend preference had changed from dividends being held in her ISA account to being immediately paid to her bank account. The sum of £1019.45 had been paid out before she noticed, and she believed the change had been made by HSDL. She was unable to move the funds back to her ISA as she'd already used her full ISA allowance.

HSDL contacted her and said that the most they would pay for her costs was £100 as they would have had to return either stock or funds to B1 because of the oversubscription. They also said they'd look into the issue with her dividends. Mrs R replied to say that she was disappointed with their findings and noted that if she'd been asked, she would have chosen for the funds to be returned as it wouldn't have cost her anything to then move the required sum back to HSDL.

She then asked for our help with the matter and her complaint was allocated to one of our investigators. HSDL provided their submissions and said that they'd realised Mrs R was oversubscribed when the transfer form from B1 indicated that she'd already paid £20,000 into her ISA that year, and their records indicated she'd also paid £10,000 into her HSDL ISA.

Their standard process in this type of scenario was to reject the transfer which meant rejecting a payment of £6,131.55 that B1 had sent and schedule a return of the stock that had already been transferred. B1 didn't send the ISA history until the very end of the process, so several assets and payments were received before HSDL were able to identify the oversubscription and arrange a return.

They also explained that the £1019.45 that was transferred out of her ISA related to dividend payments from the stock they'd received which later had to be returned to correct the oversubscription.

The investigator considered the submissions that had been made and was of the opinion that the complaint should be upheld. He thought that HSDL should have contacted Mrs R to discuss the oversubscription. Had they done so, the error would have come to light and the £10,000 payment could have been moved to her non-ISA account.

Because of this, it seemed fair that HSDL should compensate Mrs R for the costs she'd incurred. He also asked them to pay her £100 in compensation and provide her with an explanation about why her dividend instructions had been changed and why a payment had been credited to the wrong account.

Mrs R accepted the investigator's findings. HSDL didn't respond, so the complaint has been passed 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.

Having done so, I think this complaint should be upheld and I will now explain why. Mrs R has explained that she contacted HSDL on the same day that she made the payment in error and explained what had happened. She's said that she was told that the payment would be moved to her non-ISA account the next day.

HSDL haven't disputed her version of events, so I must question why they didn't get back in touch with her after she'd told them what had happened. They also had an opportunity to contact her when they received the transfer history form from B1 and became aware, for the second time, that she'd oversubscribed her ISA account.

Given what HSDL said in their final response letter about having two potential options to resolve the erroneous payment, I'm satisfied that had they contacted her, arrangements could have been made to return the funds to B1 instead of all the stock. This would have meant that she wouldn't have incurred the fees from B1 that she did. Therefore, they need to put things right by compensating Mrs R £580.82 plus interest, for the fees she's had to pay to B1.

Mrs R has also been inconvenienced by HSDL's actions. She's had to spend a fair amount of time trying to resolve the issues that have occurred. With this in mind, I think she is due compensation for the inconvenience she's suffered, and I agree with the investigator's opinion £100 is fair and reasonable in the circumstances.

They also need to investigate the issues with the £1019.45 in dividend payments that were paid to Mrs R's non-ISA account and the £712.43 was credited to her ISA instead of her non-ISA account.

I note that in their submissions to this service they've explained that the sum of £1019.45

relates to dividend payments which were returned. However, the figures they've provided refer to a sum of £1196.75, not the £1019.45 that Mrs R has quoted. And they haven't provided any explanation for the payment of £712.43 that credited to her ISA account instead of her non-ISA account, so I'm not satisfied that they've investigated this aspect of Mrs R's complaint. Therefore, they need to look into this matter and issue their findings to Mrs R. If she is unhappy with their response, she can ask us to look into this aspect of her complaint.

Putting things right

- HSDL need to pay Mrs R £580.82 to compensate her for the fees she had to pay to B1. They should also add 8% simple interest to this sum from the time Mrs R made the payment to the date of settlement.
- They should also pay Mrs R £100 to compensate her for the inconvenience they caused her.

My final decision

For the reasons I've given above I uphold this complaint. Halifax Share Dealing Limited should put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 25 April 2025.

Marc Purnell
Ombudsman