

## **The complaint**

Ms C complains that Bank of Scotland plc trading as Halifax didn't provide the service it should have when she transferred funds from her individual savings account (ISA).

Ms C is represented by a family member (Mr C) who has power of attorney over Ms C's financial affairs.

## **What happened**

Mr C explained that after being granted power of attorney over Ms C's financial affairs he noticed that she had substantial funds in a Halifax cash ISA and current account earning low amounts of interest. He arranged for a transfer from the current account to the cash ISA and then put in a transfer request for the money from the cash ISA to be moved to an investment ISA with another finance provider (Provider 2).

Mr C made the transfer request on 12 September 2023, but on 20 September, Provider 2 contacted him to say that Halifax had refused the transfer due to a mismatch of details. Mr C identified the issue and contacted Provider 2 to say the issue had been resolved. However, on 2 November, Mr C was contacted again by Provider 2 to say that Halifax had refused the transfer and wanted confirmation of the Power of Attorney. Mr C said that Halifax didn't make contact directly with him at this time.

Mr C visited a Halifax branch with Ms C to resolve the issue and was told the transfer would then happen. However, this wasn't the case and on 2 December Mr C was told again that the transfer was unsuccessful, and that Halifax required him to contact it directly. Mr C visited a branch again with Ms C and was told that there was an address discrepancy. Mr C said he thought this had been resolved and went to check and then resubmitted the transfer request. However, this was unsuccessful and so he and Ms C visited the branch again. At this point it was identified that there was a formatting issue with the address recorded and a complaint was raised.

Further attempts at the transfer took place and were refused. Mr C says that he then discovered his complaint had been rejected but he hadn't received the letter about this. Mr C said he wasn't contacted by Halifax about any of the issues preventing the transfer taking place and he had to visit the branch on several occasions with Ms C. He said that Ms C should be paid the loss of return that has arisen due to the delays in the transfer and that compensation should be paid for the distress and inconvenience he and Ms C have been caused.

Halifax issued a final response letter dated 26 February 2024. It said that Provider 2 had the address listed as the house name and street on one line, but its system only allowed the house name to be input on a separate line. It said it had written to Mr C several times to indicate the mismatch in the address formats. It said the format had to be changed with Provider 2 for the transfer to take place.

Mr C said he didn't receive the final response letter until the end of March when he visited a Halifax branch. He also said that he hadn't received any letters from Halifax about the issue

with the address format. He referred the complaint to this service.

Our investigator didn't uphold this complaint. He said that for an ISA transfer to be completed there needed to be an exact match on details such as name, address and accounts. He noted that between 4 October 2023 and 26 April 2024, Halifax had sent 11 messages to Provider 2 about the address differing. He said it was Provider 2 that was expected to communicate the reason for rejection. He noted that Mr C hadn't received the final response letter but said that this wasn't the fault of Halifax.

Mr C didn't accept our investigator's view. He said the cash ISA funds were finally transferred on 6 June 2024 almost nine months after the initial transfer request. He said that the address recorded with Halifax and Provider 2 were effectively the same and the format difference wasn't substantial. He didn't think this a reason for the transfer to be refused. He said that the Halifax app decided how the address was recorded, not the account holder and that the app treated the house name and street name being on one line as the same as them being on separate lines. He said that different reasons were given for the transfer being refused with both the address and the Power of Attorney being cited. He said he was told there was a restriction on the account regarding the Power of Attorney (even though this had been correctly lodged with Halifax) and he feels this was the reason the transfer may have been refused.

Mr C reiterated that Halifax didn't contact him directly about the issues and the final response letter wasn't received (until his visit to a branch in March). He said he and Ms C had made several visits to branch and had been told that the transfer would then take place, but this didn't happen.

#### *My provisional conclusions*

I issued a provisional decision upholding this complaint, the details of which are set out below.

*I can see that this issue has caused a great deal of inconvenience to Mr C and Ms C and noting Ms C's age and health I can appreciate that lengthy visits to a branch would have been particularly tiring and potentially distressing. I also note Mr C's comments about the additional amounts he believes Ms C's money would have earned had the funds been transferred sooner. But for me to uphold this complaint, I would need to be satisfied that Halifax did something wrong and / or didn't treat Ms C fairly or provide the service it should have.*

*Mr C first made the transfer request in September 2023. He received a message from Provider 2 saying the transfer couldn't take place as the details held by Halifax and Provider 2 didn't match. Mr C explained that different addresses were recorded with the two entities. Given the mismatch I cannot say that Halifax did anything wrong by not completing the transfer at this time.*

*Mr C updated the address and resubmitted the transfer request on 2 October. I can understand why Mr C would have expected the transfer to be actioned given he believed the addresses now matched. However, Provider 2 contacted Mr C on 2 November to say the transfer hadn't been successful and Halifax had said it needed him to confirm the Power of Attorney had instigated the transfer. I have looked at Halifax's notes from this time and these state that two letters had been sent but no response received. Mr C has said he didn't receive any letters. I cannot say why Mr C didn't receive the letters and I accept that had he received them this issue may have been able to be resolved sooner, but I do not find I can hold Halifax responsible for the letters not being received.*

*Mr C visited a Halifax branch on 3 November with Ms C. Mr C confirmed the transfer should go ahead. Halifax's notes at this point say the transfer was manually rejected. Given Mr C had attended the branch with Ms C and the request for the ISA transfer had been confirmed, I think that had there been any further issues preventing the transfer happening Mr C should have been made aware of these at the time. As the transfer was manually rejected, this suggests that the information was looked at by an individual and so the issue with the address formatting could have been identified and raised with Mr C.*

*Halifax's notes recorded the formatting issue on 17 November. The notes state the address format differs with Halifax recording the first two lines of the address in a different way to Provider 2. This shows that Halifax was aware there was no mismatch with the addresses but just an issue with how they were formatted. The notes state that a letter was sent on 17 November to Mr C and as no response was received a further letter was sent on 24 November. Mr C didn't receive either of these letters, so he wasn't aware of the formatting issue. While I cannot hold Halifax responsible for Mr C not receiving the letters, given the nature of the issue and the length of time it had been ongoing by this point, I think it could have done more to contact Mr C directly to explain the problem and the need to resolve this.*

*Mr C has said he visited the branch again in early December with Ms C. At this point, there was a history of the address format issue in Halifax's system and records of letters being sent to Mr C. Given this I think it reasonable that Mr C would have been provided with this information. He could have been told about the letters and explained that he wasn't receiving these at which point an alternative method of communication could have been agreed. However, Mr C wasn't made aware of the formatting issue and resubmitted a transfer request which was rejected.*

*Mr C visited the branch on 5 January with Ms C and at this time the formatting issue was explained. A complaint was raised. I can understand that Mr C was waiting for an outcome to the complaint, but I think it would have been reasonable for him to ensure the required amendment was made at this time to allow the transfer to be completed while the complaint was being investigated. However, it appears from the communication between Ms C and Provider 2 that they were expecting Halifax to resolve the formatting issue alongside the complaint investigation. This appears to be a misunderstanding and I cannot say why this arose, but had it been made clear to Mr C that he needed to change how his address was recorded with Provider 2, and clear details provided as to how it needed to be recorded, I find this issue could have been resolved at this time.*

*Mr C contacted Provider 2 on 27 March 2024 with the details as to how the address needed to be recorded. However, after this the transfer request was rejected again and Mr C was advised he needed to contact Halifax directly. Mr C called Halifax and was told there was a restriction on the account in regard to whether the Power of Attorney had authorisation to make the transfer. I can see throughout Halifax's notes reference to 'donor not to have access' but the communication during the period of October 2023 to April 2024 was in regard to the address issue. I also note that in the period Mr C had visited the branch on several occasions with Ms C and I would have expected this issue to have been addressed during those visits. I understand the transfer took place on 6 June 2024.*

*Taking all of the above into account, I do not find that Halifax provided the service it should have in regard to the transfer of Ms C's cash ISA. Mr C had the Power of Attorney registered with Halifax and if there were any issues relating to this and the ability of Mr C to make the transfer request on Ms C's behalf then these should have been identified and addressed in the first branch visit in November 2023. The issue with the address formatting could have been resolved much sooner had this been discussed with Mr C when he visited the branch in December 2023. This issue was identified on the system and had Mr C been told about it*

*at that time and told that letters were being sent to him I think it more likely than not that he would have taken the required action at that point.*

*Because Halifax didn't provide the service it should have, I find it added unnecessary delays to the transfer. It also caused substantial inconvenience and distress to Ms C. When considering what redress is reasonable in this case, I have considered that the funds were being transferred from a cash ISA to an investment ISA. Based on my reasoning above, I think any issues that may have been present with the Power of Attorney should have been addressed in November 2023 and Mr C should have been made aware of the formatting issue in December 2023. I note however that he was made aware of the formatting issue in early January 2024, and it wasn't until 27 March 2024 that he made the required amendment. I understand that it can take up to 30 days for a transfer to take place, but that Mr C received contact about the transfer being rejected on 17 April 2024. Given the contact Mr C had had with Halifax by this time and the actions he had taken in response to this I think that this transfer should have been successful, and any further delays would have been avoided had better service been provided.*

*Therefore, I find it reasonable that Ms C receives compensation to reflect any loss of income arising from the delay in the cash ISA transfer from 17 April 2024 to 6 June 2024. Mr C has provided evidence of the returns Ms C received on her investment ISA that she set up with Provider 2 in September 2023. He has provided balance information from the dates he had available closest to the 17 April 2024 and 6 June 2024. He has also confirmed that the money from the cash ISA was transferred to this investment ISA in June 2024. Mr C has provided calculations showing the return that would have been achieved based on the cash ISA balance had the transfer happened on 17 April 2024 and deducted the interest Ms C earned. These show a difference of £4,817. Based on the evidence provided, I find this amount should be refunded to Ms C.*

*I have also considered the distress and inconvenience that has been caused. As the complainant in this case is Ms C, I can only consider the distress and inconvenience she has been caused, and I cannot award compensation for the distress and inconvenience Mr C has suffered as the third party. I have taken into account the visits Ms C made to Halifax branches to try to resolve the issues with the transfer and the length of time these took. Given Ms C's age and health I appreciate these would have been difficult and I have factored that into my consideration.*

*Taking everything into account, I think that Halifax should pay Ms C £4,817 for the loss resulting from the delay in her ISA transfer from 17 April 2024 to 6 June 2024 and £300 for the distress and inconvenience she has been caused.*

Halifax accepted my provisional decision and said the settlement could be paid into Ms C's bank account or sent by cheque and asked for details to be provided.

Mr C responded to my provisional decision. He said he was willing to accept the outcome of the provisional decision to draw this complaint to a close. However, he reiterated that he didn't find the service provided by Halifax was acceptable. He said that he didn't receive any of the letters that Halifax had said had been sent, including the February 2024 decision letter, and thought there was a process issue meaning these weren't sent (he noted that statements were arriving without issue). He questioned why if the address formatting issue was the only reason for the applications being rejected, he was asked by Provider 2 to make direct contact with Halifax. He felt that Halifax was being disingenuous, or incompetent, by repeatedly blaming the address format as the reason for rejecting the ISA transfer request when its notes recorded 'donor not to have access'.

## **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 understand Mr C's strength of feeling regarding the experience he had when trying to transfer Ms C's ISA funds and I acknowledge the wider comments he has made about poor practice in large institutions and the public deserving better. While I have noted the comments made about the wider context, my role is to make decisions on individual cases and in this case, I do not find that Ms C was provided with the service she should have been.

As I set out in my provisional decision, I think there were several occasions on which Halifax could have done more to resolve the issues with Ms C's ISA transfer and had it done so this could have resulted in the ISA transfer happening sooner. Because of this I find that Ms C's money remained in a lower rate ISA for longer than it would have been had Halifax provided the service it should have done. I also find that the service provided resulted in Ms C having to make several visits to branch causing unnecessary distress and inconvenience.

Based on the responses to my provisional decision, my conclusion hasn't changed, and I am upholding this complaint. For the reasons I have explained above, I find a fair resolution to the issues raised is that Halifax pays Ms C £4,817 for the loss resulting from the delay in her ISA transfer and £300 compensation for the delays incurred and distress and inconvenience caused.

## **Putting things right**

Bank of Scotland plc trading as Halifax should pay Ms C £4,817 for the loss resulting from the delay in her ISA transfer and £300 compensation for the delays incurred and distress and inconvenience caused while trying to transfer her cash ISA.

Mr C, on Ms C's behalf, should confirm how the settlement should be paid.

## **My final decision**

My final decision is that I uphold this complaint. Bank of Scotland plc trading as Halifax should take the actions set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 21 November 2024.

Jane Archer  
**Ombudsman**