

The complaint

Mr A complains that Bank of Scotland plc trading as Halifax sent a payment of £1,700 to the wrong account on 5 January 2024 and hasn't refunded it to him.

What happened

Mr A says that Halifax accepted in its final response letter about the complaint that the payment had gone to the wrong account and had paid him £150 in compensation. He says that the payment should also be refunded. And he says that he had suffered damage to his credit file as a result of the overdraft it created.

Halifax had issued a final response letter stating that the money had been paid to *"the correct person but the incorrect account."* It said that the money had been paid into an account in the name of Mr A and so he had the funds. And it wouldn't as a result look to refund the money and he would need to raise that with the other bank he holds that account with. It said it paid him £150 to reflect this.

Our investigator didn't recommend that the complaint be upheld. She said she'd listened to the call Mr A had with Halifax about the payment. And that he'd asked that £1,700 be transferred to his account with number ending '76 at the other bank. He had confirmed to the member of staff that it had been received. So, the payment was sent to an account in his name correctly. She explained that Halifax told this service that it had initially been unable to find the call recording. Mr A had cashed a cheque for the compensation of £150.

Mr A didn't agree and wanted his complaint to be reviewed by an ombudsman. He said that our investigator's analysis differed to what Halifax had said to him. He wasn't happy with the investigation and maintained that he wanted a full refund and compensation.

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.

This service provides informal dispute resolution, and we aren't a court. I note from the papers Mr A has provided that he had already arranged for a letter of claim to Halifax to which it responded on 2 August 2024. If he doesn't accept my decision he remains free to pursue this matter in court subject to any relevant time limits.

The position is that when Halifax first reviewed his complaint it couldn't obtain a copy of the call recording about the payment. So, it's told us that it gave Mr A the 'benefit of the doubt' that he'd asked that another account payee be used. But that as the account the money had actually gone to was one in his name then he hadn't lost out. I understand from the case file provided by Halifax that Mr A may have later had an issue accessing money in that other bank account. And I can see from his account statement that the payment out of £1,700 resulted in an overdraft with Halifax. He says that there has been subsequent action taken in relation to that. Had the money been refunded he said he wouldn't have been in that position and his credit record wouldn't have been affected in the same way.

I've also listened to the recording of the call Mr A had with Halifax about the payment that day. He hadn't been able to make a payment in branch. And he was asked whether he wanted to make a payment over the phone and if this was to an existing payee. He confirmed this. He gave the sort code for the payment and an account number ending in '76. As Mr A reasonably knows from the response to his letter of claim I've referred to, Halifax accepts that two of the other digits were mixed up in the account number he quoted. Halifax has also confirmed that he had no other payee to that sort code and that he had made transfers to the account a number of times before. The person Mr A spoke to didn't identify or comment on the two numbers being mixed up but confirmed the account name. Notably Mr A almost immediately confirmed he could see the money had arrived. Having considered all this information I'm not persuaded that any error by Halifax was made with the payment Mr A wanted to make.

Having made that finding I'm afraid that I don't then have a basis to find that Halifax's actions in relation to this payment contributed to the further problems and financial issues Mr A describes. Or that a payment recall from the other bank relating to a 'misdirected' payment ought to have made or ought to have been successful.

Halifax has already paid Mr A £150 for the reasons I set out above. I don't have a basis to require it to pay any further compensation here or to take any action. I know Mr A will be very disappointed with my conclusions given what is at stake for him.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 7 January 2025.

Michael Crewe
Ombudsman