

## The complaint

Mr E complains about the service he received from Bank of Scotland plc trading as Halifax ("Halifax") when trying to utilise an Additional Permitted Subscription (APS) and deposit funds into his ISA with it. Mr E says Halifax failed to complete the APS transfer as expected leaving him financially disadvantaged at a time when he was bereaved at the loss of his wife.

## What happened

By way of background an Additional Permitted Subscription (APS) is an extra ISA allowance that a surviving spouse can use after the death of their partner. ISA regulations allow the value of a deceased customer ISAs to be added as an increased allowance to the spouse/civil partner of the deceased. You don't have to use funds held in the deceased ISA, just the value. And it can be used to fund new or existing ISAs.

Mr E's late wife held a number of ISAs which Mr E wished to claim APS on. On 2 November 2023 Mr E informed a branch Manager of Halifax that £48,029 had arrived in his current account and requested Halifax transfer this to an ISA with it utilising his APS allowance. The value of the APS allowance for this amount (£48,029) was made up of different ISA's held by Mr E's late wife.

For reasons that are unclear – but it is accepted due to administrative errors on Halifax's behalf - the transfer was rejected as the amount of the transfer requested did not match the APS allowance claim of £45,261 available for one of Mr E's late wife's providers "B".

Halifax successfully requested a reduced APS allowance of £45,261 on 12 December 2023 and this amount was transferred from Mr E's current account with Halifax into his to his ISA. Halifax confirmed this in writing as well as confirming the limit had been reached for the APS allowance claimed from B.

Mr E complained to Halifax that he received a letter with incorrect figures for his APS allowances with different providers and about the delay in transferring funds to his ISA.

Halifax issued its final response on 16 January 2024 partly upholding Mr E's complaint. It agreed that Mr E was given incorrect information on APS allowances, processes and timescales and paid Mr E £75 in compensation. Halifax explained that the letter Mr E received regarding his APS allowances didn't include one ISA provider – B - as it hadn't been received by Halifax when the letter was sent.

Mr E was dissatisfied with this and continued to correspond with Halifax about the matter as well as bringing his complaint to this service. He says Halifax made numerous administrative mistakes regarding the APS allowance and provided him with misinformation about the process. Mr E wanted Halifax to compensate him lost interest for the delays in transferring his funds into his ISA and further compensation for the way in which he'd been treated.

Halifax had initially determined that the delay in transferring the funds into the ISA was because the money received into Mr E's current account (£48,029) that he wished to put into his ISA didn't match the APS allowance requested from B (£45,261).

But on further investigation – following Mr E bringing his complaint to this service - Halifax determined that the error was due to it requesting an APS allowance of £48,029 from B - when only £45,261 was available as the surplus amount of the APS allowance was to come from other ISAs that Mr E's late wife held. So Halifax paid a further £150 compensation for the distress and inconvenience caused.

Halifax also reimbursed Mr E the loss of interest on £45,261.34 at 4.12% for the period of time the APS transfer was delayed and funds not put in his ISA (3 November to 12 December 2023) amounting to £204.36.

One of our investigators looked into Mr E's concerns and considered whether Halifax's remedial actions were a fair way to resolve Mr E's complaint.

They agreed that Halifax had provided some misinformation when Mr E initiated the APS transfer, but they didn't think this had had a lasting impact on the processing of Mr E's total APS allowance and transfer of funds into his ISA. As Halifax had compensated Mr E for the difference in interest they thought this placed Mr E in the position he would've been in but for its error. They noted that Mr E wasn't financially disadvantaged or caused any severe detriment by Halifax's error and so they didn't think Halifax needed to compensate Mr E anything more on top of the £225 it had paid for the distress and inconvenience suffered.

Mr E disagreed. Mr E wants to know whether Halifax had the right to reduce his internal transfer from his current account to his ISA from around £48k to £45k as he says if he'd known that it couldn't he would not have agreed to a reduction. Mr E says the remaining balance of around £2,700 remained in his Halifax current account and he deposited this in an ISA with another provider on 19 January 2024. Mr E calculated he lost £23.94 in interest because of this.

Mr E doesn't believe Halifax has compensated him enough for the distress and inconvenience suffered and has asked for an ombudsman's decision on the matter.

### **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 hope Mr E won't take it as a discourtesy that I've described his complaint in the way that I have. Ours is an informal dispute resolution service and I've provided a summary in the background about what I consider are the key events that led to Mr E's complaint.

I should also note here that Mr E has raised further complaint points regarding Halifax's handling of his APS allowance, but as explained by our investigator these events occurred after Mr E raised the complaint - as outlined above - so these are new and separate complaint points that need to be raised with Halifax first and I will not be dealing with them as part of this decision.

It might help if I explain here my role is to look at the problems Mr E has experienced and see if Halifax has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr E back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having considered everything I'm in agreement with our investigator and I don't think there is anything much more of use that I can add.

Halifax has already accepted it made administrative errors in the processing of Mr E's APS allowance which resulted in the delay of the transfer of his funds from his current account to his ISA. So all I need to decide is whether what Halifax has done to put things right for Mr E is a fair way to settle his complaint. And I think it is.

As a result of the delays in transferring funds into his ISA Mr E lost out on interest at 4.12% on £45,261.34 for the period 3 November to 12 December 2023. Halifax has calculated this to be £204.36 and added this to the interest accruing in Mr E's ISA with it. So I consider Halifax has put Mr E in the position he'd be in if the mistakes hadn't happened – having paid Mr E the interest he lost out on.

I'm also in agreement that the compensation paid in total of £225 for the distress and inconvenience Mr E suffered during this period is fair and in-line with what I'd usually recommend. I accept that Mr E received some incorrect and unclear information regarding the use of his APS allowance which led to confusion and delays and Mr E spent time in following up the matter and crosschecking information he held on his available APS allowance with the information Halifax had.

But it is my understanding that the onus is on the customer to determine their total APS allowance and it is the businesses responsibility to cross reference the requests made and approve and decline accordingly. So although I appreciate Halifax made some mistakes during the process, I also think there was some confusion on both sides around which APS allowances Mr E wished to use against the money he had available in his current account, as well as the amounts he'd already used. So I don't think it would be fair to hold Halifax solely responsible for this.

Mr E wants to know if Halifax had the right to reduce his internal transfer from his current account to his ISA from around £48k to £45k. He says if he'd known that it couldn't he would not have agreed to a reduction.

I'm not an expert on these matters and nor am I expected to be. My role is to determine if Halifax has treated Mr E fairly. But my understanding is that Halifax didn't reduce his internal transfer it merely claimed the amount Mr E had available in APS allowance with his late Wife's ISA provider B.

It may well be the case Mr E was left with an APS balance of around £2,700 that came from another provider. But as I stated above it's Mr E's responsibility to determine his total allowance. And in any case I haven't seen that at the time Mr E put in a further request to transfer this outstanding APS allowance to his ISA with Halifax. So I can't say that Halifax have treated him unfairly here.

Mr E says he made the decision to deposit this in an ISA with another provider on 19 January 2024 and calculated that he lost out on around £23 in interest. But this was entirely Mr E's choice to do this – as it was with the other deposits he made in ISAs with alternative providers. And so I don't think it would be fair to penalise Halifax for something it didn't have control over. Ultimately the amount of interest lost overall is small and so I'm not persuaded any uplift on the compensation already paid would make a material difference to Mr E's situation.

Mr E has been put in what I consider the position he'd be in as if the mistake hadn't happened and compensated Mr E £225 for the distress and inconvenience the delays and misinformation caused. This is in-line with the remedy Mr E asked for when he brought his complaint to this service and given I've not seen any evidence of Mr E suffering any ongoing financial detriment or loss I think what Halifax has already done to settle Mr E's complaint is fair and I'm not going to ask it to do anything more.

**My final decision**

For the reasons I've explained I've decided what Bank of Scotland plc has done to settle Mr E's complaint is fair and I'm not going to ask it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 10 March 2025.

Caroline Davies  
**Ombudsman**