

The complaint

Mr G complains that Bank of Scotland plc trading as Halifax didn't pay the right amount of interest on his savings account and also about the poor service he received when trying to resolve the issue.

What happened

I issued my provisional decision on this case on 18 February 2025. I wanted to give both parties the chance to respond before I came to my final decision.

I have copied my provisional decision below, which also forms part of this final decision.

The details of this complaint are well known to both parties, so I will not repeat them in full.

In summary, in April 2023, Mr G contacted Halifax with the intention of transferring his funds to a savings account with another bank. However, Mr G has informed us that, during an in-branch visit, he was advised by Halifax that he could receive an equivalent interest amount if he kept his funds in a savings account with them. Based on this information, Mr G decided to retain his savings with Halifax.

When Mr G's account matured in April 2024, he was surprised by the interest he received, as it was lower than he had expected. As a result, he raised a complaint with Halifax, also expressing dissatisfaction with the service he had received. Halifax reviewed the complaint and upheld it, acknowledging that Mr G had been given incorrect information with regards to the maturity funds he would receive and for the poor service he received. To resolve the matter, the bank offered him £100 in compensation.

However, Mr G was not satisfied with this resolution and referred his complaint to our service. Our investigator reviewed the case but did not uphold the complaint, concluding that the interest rate had been correctly applied and that the compensation offered for the poor service was appropriate.

Mr G remained dissatisfied and requested a review by an ombudsman. The complaint has now been referred to me for a final decision.

What I've provisionally 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 carefully considered the matter, I am currently inclined to uphold this complaint. I will explain my reasoning below.

Halifax has accepted that it provided Mr G with incorrect information regarding the interest he would receive upon maturity of his account. Therefore, I do not need to make a separate finding on this point. Instead, my focus is on determining what Mr G would have done had he been given the correct information and, if he suffered a financial loss as a result, what Halifax should do to put things right.

We asked Halifax to provide any evidence or documentation that may have been given to Mr G during or after he opened his account. However, Halifax has been unable to provide anything that convinces me Mr G would have had access to accurate information about the level of interest his account would accrue. In the absence of such evidence, I am currently satisfied that Mr G reasonably relied on the figures provided by the in-branch adviser when deciding to keep his savings with Halifax.

Mr G has stated that he was given an estimated return of between £4,500 to £5,000. While I have not seen direct evidence to confirm these figures, I have considered other available information. Mr G informed us of the other provider he was considering moving his funds to, stating that it was offering an interest rate of around 5% at the time. Upon reviewing this, I can see that while the rate was not as high as 5%, the other provider was offering a higher rate than Halifax of 4.54% on a similar one-year fixed-term savings account.

Given that the alternative rate was higher and that Mr G was actively seeking the best available return on his savings, I believe that if he had been given accurate information, he would have proceeded with transferring his funds to the other provider.

Accordingly, I am currently of the view that Mr G has suffered a financial loss due to the incorrect information provided by Halifax. To fairly compensate him, Halifax should:

- Pay Mr G the difference in interest between the 4.15% rate offered by Halifax and the 4.54% rate he could have received from the alternative provider for the duration of the fixed-term period*.*
- Pay Mr G 8% simple interest on this amount from 19 April 2024 until the date of payment*.*

**If Halifax considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Responses to my provisional decision

Halifax responded to my provisional decision to say it agreed with the recommendations.

Mr G hasn't responded and so I've assumed he has nothing further for me to consider.

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 considered everything again, it is still my decision to uphold this complaint.

As neither party has given me any additional information to consider I see no reason to depart from the findings in my provisional decision.

Putting things right

To put things right Halifax should:

- Pay Mr G the difference in interest between the 4.15% rate offered by Halifax and the 4.54% rate he could have received from the alternative provider for the duration of the fixed-term period*.

- Pay Mr G 8% simple interest on this amount from 19 April 2024 until the date of payment*.

**If Halifax considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

My final decision

For the reasons set out above, I uphold Mr G's complaint against Bank of Scotland plc trading as Halifax and it should put things right by doing what I have said above.

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

Jag Dhuphar
Ombudsman