

The complaint

Miss R complains Bank of Scotland plc trading as Halifax cancelled a standing order that it shouldn't have and that this led to severe embarrassment. She also complains about its investigation of her complaint, mistakes made and not following up requests.

What happened

Miss R has a current account with Halifax.

In September 2024 Miss R received a letter from a third party saying that it had sent a direct earnings attachment to her employer. She'd set up a standing order earlier on in the year to pay off a sum the third party was claiming – Miss R has told us that the sum relates to a historic overpayment, one that she doesn't accept she owes but that she agreed to pay off for her own peace of mind. Miss R contacted Halifax to find out what had happened.

Halifax checked and said that one of its agents had cancelled her standing order in error. Miss R complained saying that Halifax's actions had caused her a huge amount of distress and damaged her reputation and caused her severe embarrassment.

Miss R says a member of Halifax's chief executive's office called and insisted on talking to her about her complaint despite her pointing out that she'd asked for everything in writing. She says that this added to her distress, as did the member of staff putting her on the spot when he asked what she was looking for in terms of compensation. To make matters worse, Miss R says she was told that the agent had cancelled her standing order no longer works for Halifax. Halifax has since confirmed that they do, and that this statement was incorrect.

Halifax apologised for cancelling Miss R's standing order and offered to pay her £320 in compensation – equivalent to the amount the third party was claiming. As she'd spent an hour in total on the phone, Halifax also offered to pay her £12 towards her call costs. Miss R wasn't happy with Halifax's response and with mistakes that it made during its investigation. So, she complained to our service.

One of our investigators looked into Miss R's complaint and said that Halifax had accepted that it made an error and offered compensation. Our investigator didn't, however, think that the compensation Halifax had offered fairly compensated Miss R. They recommended £1,000 – in other words, an additional £680 on top of the £320 that Halifax had already paid.

Halifax accepted our investigator's recommendations. Miss R didn't. She said that everything that Halifax had done had caused her severe anxiety, psychological trauma and depression. She said that it was hard to put a figure on it, but she expected at least £8,000 given everything that had happened and comparable cases. Miss R asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

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 can understand how upsetting and triggering it must have been for Miss R to receive the letter she received in September 2024. It's clear, from what she's told us, that she was very angry when the third party in question contacted her to say that it wanted an overpayment from over 20 years ago repaying. And it's clear that the only reason why she set up the standing order she did was for peace of mind.

I can see that Halifax very quickly identified the fact that one of its agents had cancelled the standing order Miss R had set up by mistake. Halifax apologised, saying that human errors happen from time to time.

Having identified what happened and having apologised, it's really unfortunate that Halifax then made a series of mistakes which made matters worse. In addition, it's really unfortunate that the third party in question sent Miss R's former employer a direct earnings attachment rather than contacting her to find out why she'd stopped paying. I can understand how embarrassing this must have been for Miss R and can see it's put her in a position where she's unsure what references if any she'd be able to get from them. They're local too, so that adds additional embarrassment.

I can see Miss R is considering complaining elsewhere – for example, to the ICO – and is considering legal action too. I can see why she might want to do so. I am, however, considering the complaint that she's brought to us and that's what I plan to focus on.

There's no question that Halifax has made several mistakes. The issue I have to decide is how to put things right. I don't think her request for a letter from Halifax is unreasonable as it will help clear up any confusion in her ex-employer's mind about why it received a direct earnings attachment for Miss R. And I do think that's important as it appears to be getting in the way of Miss R obtaining references. So, I asked Halifax if that's something it was prepared to do, and it has said yes. I've sent Halifax two suggested drafts – one produced by Miss R and one by myself – and I'd expect the letter that Halifax sends to be substantively similar to one of those. Miss R has asked for a copy to be sent to her which I consider to be reasonable.

Putting things right

Having considered our guidance on what awards to make and when, I agree with our investigator that asking Halifax to pay an additional £680 on top of the £320 it has paid is fair and reasonable. So, that's the award I'm going to make. I appreciate that it's hard to put a figure on distress and inconvenience, but I don't agree £8,000 is appropriate here.

My final decision

My final decision is that I'm upholding this complaint and require Bank of Scotland plc trading as Halifax to pay Miss R an additional £680 in compensation on top of the £320 it has already paid in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 12 June 2025.

Nicolas Atkinson
Ombudsman