

The complaint

Ms K complains that because of the actions of Halifax Share Dealing Limited ('HSDL'), her daughter was unable to make full use of her Junior ISA (JISA) investment allowance in the 2022/2023 tax year. Ms K also states that she is unhappy with the service she's received from HSDL in trying to resolve the matter.

Ms K would now like HSDL to allow a backdated payment to be made into the JISA to make use of the missed allowance.

What happened

On 31 March 2023, Ms K moved £8,400 from her bank account into her daughter's Junior ISA to make use of the remaining allowance within the wrapper before the end of the tax year; shortly afterwards, she received confirmation that the credit had been applied to the account. As Ms K had a direct debit in place on the JISA, she decided to cancel the arrangement on 3 April 2023 (the next working day) as she was intending on making an additional lump sum payment in the new tax year and didn't want to exceed the maximum permissible contribution.

HSDL wrote to Ms K on 4 April 2023 confirming the direct debit had been cancelled and should she wish to make any further payments into the plan, she'd need to set up a new instruction.

HSDL wrote to Ms K on 12 April 2023 stating that they'd attempted to collect the scheduled £50 monthly subscription along with the one-off contribution of £8,400 that was applied to the account on 31 March 2023, but had been unable to do so. HSDL explained the account had fallen into a negative balance of £8,450 as the anticipated monies from the direct debit had already been used to purchase units in her chosen fund.

Ms K telephoned HSDL on 17 April 2023 to better understand what had happened. And, shortly afterwards, she decided to formally complain to HSDL. In summary, she said that she was unhappy her daughter had missed out on maximising her JISA allowance for the 2022/2023 tax year because of the payment issue. Ms K said that she was disappointed the £8,400 payment had been set against the 2023/2024 tax year instead, impacting the amount she could contribute in that tax year. In addition, Ms K stated that she'd found HSDL's service frustrating as she'd been waiting for several weeks for a call back to update her payment details; that's despite chasing them on several occasions.

On 22 May 2023, Ms K updated her payment method and remedied the negative balance on her daughter's JISA. As that was the point at which HSDL considered they'd received the cleared cash funds, they explained that the £8,400 payment would be set against the 2023/2024 tax year.

After reviewing Ms K's complaint, HSDL concluded they were satisfied they'd done nothing wrong in respect of the payment. HSDL said that because Ms K had cancelled the direct

debit, and not themselves, they were unable to apply the payment that she'd made to her daughter's account. They also said, in summary, that having listened to the telephone call that Ms K made to their helpline on 17 April 2023, their agent could have lifted the restriction on the account (which had prevented her from updating her payment details) sooner and updated her banking details, which would have avoided the need to make further call backs.

In recognition of the inconvenience that they'd caused on failing to update her payment details sooner, HSDL said they had arranged to pay £60 to her share dealing account to apologise.

Ms K was unhappy with HSDL's response, so she referred her complaint to this service. In summary, she said that she was unhappy her daughter had missed out on her JISA allowance for the tax year. In addition, she also said that she was concerned HSDL hadn't initially attempted to telephone her to resolve matters and was unhappy with the service she'd received. She also said:

- HSDL didn't inform her that the cancelled direct debit was the main issue, rather than the failed transaction to fund the account.
- HSDL bought shares off the back of the attempted transaction, showing that they saw the money appear in the account before the transaction was cancelled.
- The direct debit was live until 4 April 2023, so it isn't clear why they couldn't match the credit to the transaction date of 31 March 2023, of which they confirmed they have a record of.
- HSDL failed to listen to her when she attempted to resolve the issue.

The complaint was then considered by one of our Investigators. From the limited information that she had, she initially concluded that HSDL hadn't treated Ms K fairly since she'd not seen sufficient evidence why cancelling the direct debit several days after making the lump sum payment would impact the £8,400 going through. Our Investigator felt that whilst HSDL had stated that it had taken Ms K 31 days to update her payment details on the account, this period was a consequence of their delays removing the security block that they had placed on her account. Our Investigator felt that HSDL should backdate the payment to the 2022/2023 tax year and increase their level of redress to cover the inconvenience caused from £60 to £150.

HSDL, however, disagreed with our Investigator's findings. In summary, they said that the terms and conditions of the account set out that it could take three working days for payments to be credited and as such, given Ms K's bank had recalled the lump sum payment, they didn't think they'd done anything wrong.

After receiving HSDL's supplementary information, our Investigator explained that she'd altered her initial thinking and was minded to not support Ms K's complaint point about the payment failure given what she'd seen of HSDL's terms and conditions. However, she explained that she was still of the view that HSDL's service could have been better and as such, felt the £150 award for the inconvenience was still fair and reasonable.

After receiving our Investigator's second view, HSDL stated that they didn't believe there was sufficient justification for the £150 award so asked the Investigator to pass the case to an Ombudsman for a decision.

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 have summarised this complaint in less detail than Ms K has done and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this and it simply reflects the informal nature of our service as a free alternative to the courts.

My role is to consider the evidence presented by Ms K and HSDL in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm upholding Ms K's complaint in part - I'll explain why below.

HSDL say that Ms K's bank recalled the monies she'd transferred after she cancelled the direct debit. And, as the cancellation occurred one working day after the direct debit was deleted, the funds weren't actually available to trade.

I've looked at HSDL's terms and conditions that Ms K would've been provided with when she opened the account. On page 13, it states:

"Section 6: Adding and withdrawing

6.1 Adding money to the Account

You can fund your account in the following ways:

Direct Debit – we'll initiate the request once we receive it. It can take up to three working days before the money will become available and Tradeable Money."

So, given the monies were recalled by Ms K's bank after the direct debit had been cancelled, the funds weren't available to be credited to the JISA and as such, I don't think HSDL have acted unreasonably when they've declined to backdate the £8,450 payment to the 2022/2023 tax year because they weren't actually in receipt of the monies in that tax year.

Arguably there's always a danger that in leaving making lump sum contributions several days before the end of the tax year, that there won't be time to resolve problems if they occur and that's what's happened here. Whilst I think Ms K has acted in good faith by cancelling the direct debit to avoid over-funding in the new tax year when she planned to make a further lump sum payment, it's inadvertently caused the original payment to fail - but, that's not HSDL's fault and it's for that reason that I can't uphold this element of her complaint.

HSDL have said that it took Ms K 31 working days to update her account with her payment details so the negative balance on her account could be remedied. However, from what I've seen, I don't think that delay was her fault because HSDL added a 'block' to the account

preventing Ms K from updating those payment details. When Ms K received HSDL's letter explaining the failed payment, she contacted their telephone helpline on 17 April 2023. HSDL have already conceded that their operative could have removed the block that day to allow Ms K the opportunity to update her banking details, but they didn't. This then resulted in Ms K having to make multiple call backs to HSDL to try and resolve matters.

For whatever reason, HSDL chose to place a block on the account preventing Ms K from bringing the balance up to date. Had their operative identified the issue at first contact (on 17 April 2023), then I think it would have prevented a month's worth of additional delays and inconvenience in bringing matters to a close. And, it's for that reason that I'm of the view HSDL should recognise this in their payment to Ms K for the trouble that they've caused her. As such, HSDL should pay Ms K £150 for this inconvenience. If HSDL have already paid Ms K the £60 they originally offered when responding to her complaint, they can take this into account and pay her a further £90.

I'm satisfied that this is fair and reasonable in the circumstances.

My final decision

I'm upholding in part, Ms K's complaint and require Halifax Share Dealing Limited to put things right in the manner that I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 25 June 2025.

Simon Fox
Ombudsman