

The complaint

Mr N complains that Bank of Scotland plc trading as Halifax incorrectly allocated a payment to his wife's credit card account instead of his account.

What happened

Mr N holds a credit card account with Halifax.

On 12 December 2024 Mr N's partner went to the local Halifax branch to make a payment to Mr N's credit card account. Unbeknownst to Mr N/s partner the staff member incorrectly applied the payment to Mr N's partners account.

Mr N received a text message from Halifax advising him that he had missed a payment in December. Mr N complained to Halifax. He said he'd made a payment on 12 December 2024 and asked Halifax to trace the payment and remove the late payment marker from his credit file.

Halifax investigated and issued a final response on 8 February 2025. It said the branch had made an error with the payment and had applied the payment to a third-party account. Halifax reversed the payment, removed the late payment marker and paid compensation of £200 for the inconvenience caused.

Mr N remained unhappy and brought his complaint to this service. He said his credit rating had been adversely affected.

Our investigator didn't uphold the complaint. He said the compensation paid by Halifax was fair and reasonable.

Mr N didn't agree. He said the compensation was inadequate to reflect the distress and inconvenience he'd suffered and the impact on his credit file.

Because Mr N didn't agree I've been asked to review the complaint.

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.

It isn't in dispute that Halifax made an error when it allocated the payment to a third-party account.

I understand that Mr N wasn't aware of the error until he received a text message advising him that he'd missed a payment.

I've thought about the impact of the error on Mr N. He's explained that he had to contact Halifax when he received the text message about the missed payment. He also had to make a visit to his local branch to try and resolve things. And because the payment was allocated to the wrong account, Halifax reported a late payment to the credit reference agencies.

Halifax has acknowledged the error and has already taken steps to put things right. It has reversed the payment, removed the late payment marker and paid compensation.

Mr N says this doesn't go far enough. He's made the point that his credit file was negatively impacted and that he had an application for credit turned down as a result. I've reviewed Mr N's credit file and whilst I agree that the late payment marker would've had an impact, I can see that there was already a late payment marker on Mr N's credit file in relation to his November 2024 payment, because the payment he made in November was less than the contractual minimum payment. Because of this I can't safely conclude that the impact on Mr N's credit file and any difficulty he had in obtaining credit was solely due to the incorrect late payment marker relating to the December payment.

I appreciate that Mr N has been caused significant inconvenience as a result of the error. I've taken account of everything Mr N has said. However, on balance, I think the compensation of £200 offered by Halifax is fair, and in line with what this service would award. Therefore, I won't be asking Halifax to do anything further,

My final decision

My final decision is that I don't uphold the complaint.

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

Emma Davy
Ombudsman