

The complaint

Mrs Y complains Bank of Scotland plc trading as Halifax has wasted a huge amount of time and effort on her part and her son's part given the number of problems they've had opening accounts for two of their grandchildren.

What happened

Mrs Y says she went into her local Halifax branch to open savings account for two of her grandchildren. She did so in June 2024. She says that despite a huge amount of time and effort on her part and her son's part Halifax didn't manage to open the accounts. She complained to Halifax and then complained to our service.

One of our investigators looked into what had gone wrong up to the date of the final response that Halifax had issued. In other words, 2 July 2024. They agreed that Mrs Y and her son had experienced long delays and poor customer service and hadn't been able to invest funds into her grandchildren's accounts. So, they recommended Halifax pay an additional £200 in compensation on top of the £50 it had already offered. Both parties accepted our investigator's recommendation and Mrs Y was told to contact Halifax as per the instructions set out in its final response should she still wish to open accounts for her grandchildren.

In February 2025 Mrs Y contacted us again to say that despite following the instructions in Halifax's final response neither she nor her son had still been able to open accounts for her grandchildren. Another of our investigators looked into this – having given Halifax an opportunity to investigate – and ultimately Mrs Y was able to open accounts for her grandchildren – at the beginning of June 2025. In other words, a year after she'd originally started the whole process. Halifax had awarded an additional £125 in compensation.

Having looked into what had happened since 2 July 2024, our investigator said that they felt the compensation Halifax had awarded for events up to and including 8 April 2025 was fair and reasonable given the inconvenience experienced as a result of the poor service received. Our investigator also said that Halifax had done all that could be expected of them and it wasn't clear that any of the further delays or errors that Mrs Y was complaining about were down to Halifax. Mrs Y was very unhappy with our investigator's recommendation and 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.

Last month I issued a provisional decision in which I required Halifax to “consider any loss of interest incurred during the time [that Mrs Y] has not been able to open” the accounts – an offer it made in its final response – and Mrs Y to send me evidence that she would have been able to pay £200 a month into her grandchildren's accounts since June 2024. Mrs Y sent me the evidence I asked for and Halifax offered to pay £46.22 into each grandchild's account. In my provisional decision, I also set out my thoughts on compensation. I said:

“This particular complaint is about problems Mrs Y has had opening accounts for her two grandchildren. Mrs Y isn't, however, technically the complainant. Technically her granddaughters are, although given their age they'd need a representative who would almost certainly be Mrs Y. This is, however, an important distinction because our powers to award compensation are limited to compensation for distress and inconvenience to the complainant, not to their representative. I can see that Mrs Y has put in a lot of time and effort getting accounts opened for her granddaughters, and I've no doubt that this has caused her considerable distress and inconvenience. Unfortunately, I cannot make an award that compensates her for that distress and inconvenience. So, in this case I wouldn't have been able to make an award and wouldn't have done so.”

Both parties commented on my provisional decision. Halifax accepted it. Mrs Y didn't. She said that I was treating what had happened as a “victimless crime” and she was not only unhappy with the outcome but also unhappy that she'd had to come to us to get Halifax to take action. I've explained to Mrs Y that I accept she's been caused a huge amount of distress and inconvenience – no-one is denying that – and that my views on compensation are based solely on what our rules do and don't allow us to do. I remain of that view.

Putting things right

Halifax's offer is, in my opinion, fair. So, that's the award I'm going to make.

My final decision

My final decision is that I require Bank of Scotland plc trading as Halifax to pay £46.22 into each grandchild's account to compensate for lost interest.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or reject my decision before 10 October 2025.

Nicolas Atkinson
Ombudsman