

The complaint

Mrs R complains that Bank of Scotland plc, trading as Halifax, hasn't done enough to put things right after it accepted it had irresponsibly lent to her.

What happened

Mrs R held two overdrafts with Halifax. She complained that both had been granted irresponsibly; Halifax agreed with her, and it decided to uphold her complaint.

To put things right, Halifax refunded interest and charges, and it paid Mrs R 8% interest where appropriate too. One outstanding balance was cleared, so Halifax removed adverse information from Mrs R's credit file regarding that particular overdraft. For the other overdraft, Halifax said that an outstanding balance remained payable, and the debt had been passed to a third-party – who I'll refer to as "M" – to collect it on Halifax's behalf. In those circumstances, Halifax said Mrs R should arrange to clear the outstanding balance; it would then update her credit file.

Mrs R wasn't happy with that. She didn't think the amount she'd been repaid was correct; she didn't consider herself to have received a financial benefit, she was unhappy that some redress had gone towards paying off part of her overall debt, and nor did she think it fair that the outstanding balance hadn't been written off. So, she contacted this Service for an independent review.

An Investigator here looked at what had happened; having done so, they didn't think Halifax needed to take any further action. In short, the Investigator said that Halifax had acted how we'd generally expect in scenarios such as Mrs R's. It had refunded interest and charges, paid 8% interest where appropriate, and it had agreed to remove adverse indicators from Mrs R's credit file too. It wasn't reasonable to request that the outstanding balance be written off given the funds had been used by Mrs R, and she should pay back what she'd spent. So, in conclusion, Halifax didn't need to do anything more.

Mrs R disagreed. She maintained her view that it wasn't fair of Halifax to admit wrongdoing, but then still expect her to repay a balance. Mrs R was also unhappy that the money she'd received as a refund had paid off one of the outstanding overdrafts; she reiterated too that she hadn't received any compensation or financial benefit, and that wasn't fair. Finally, Mrs R disputed the calculations – she felt the amount she'd been repaid was low – and didn't think Halifax had worked things out correctly.

Our Investigator reconsidered in light of Mrs R's comments but, overall, didn't change their mind. They acknowledged Mrs R's strength of feeling over what had happened but, even so, remained of the view that Halifax had provided appropriate redress in the circumstances. The Investigator also explained that Mrs R should enlist the services of an appropriate professional to check the exact calculations and figures, should she remain unhappy with them.

Mrs R, in response, asked for an Ombudsman's decision. So, as no agreement has been reached, her complaint has been passed to me to decide.

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.

At the outset, I think it's important for me to set out exactly what I'm considering here. There's no need for me to review the lending decisions Halifax made; it's not in dispute that Halifax lent irresponsibly, it's determined that for itself and, as such, I won't cover that aspect. Instead, my role in deciding this complaint is to consider whether Halifax has done enough to put things right for Mrs R and, while I know this will be disappointing for her, I think it has.

In truth, there's little I can add to what our Investigator has already explained. I'm satisfied that Halifax has indeed followed the approach we'd generally expect to see. I think the crux of the matter here, though, is in the nuances; for example, Mrs R considers it unfair that she hasn't personally benefitted in a financial sense – nor does she think it fair that an outstanding balance remains. So, that's what I've focussed on.

Broadly speaking, we don't consider it unfair for a borrower to repay money they've had the benefit of. That applies here. The fact Halifax has now said it shouldn't have lent to Mrs R in the first place doesn't change that; it *did* lend it to her, and Mrs R *did* use the money. That reality remains regardless of what the money was spent on, or why. So, overall, I can't agree with Mrs R that Halifax has acted unfairly by not deciding to write the debt off. Fundamentally, Mrs R has an outstanding balance, and it isn't unreasonable of Halifax to expect that to be repaid.

What I will do, though, is remind Halifax – or indeed M, who I understand are acting on the bank's behalf – that it should ensure Mrs R has an affordable repayment plan should she need it, taking into account all of her circumstances, if one isn't already in place to repay the debt. Halifax has already agreed to remove any adverse information once the outstanding balance has been repaid and, for the avoidance of doubt, I think that's fair. So, it should make sure it does just that – as it's offered to do – as and when appropriate.

I don't consider it unfair of Halifax to have repaid some of Mrs R's overall debt – the balance of one overdraft – with some of the money it refunded to her. The fact is that a legitimate debt was outstanding, and I can't therefore say it's unreasonable of Halifax to use any refund to repay it. Alongside that, I'll add that I did note how Halifax said it tried to contact Mrs R to discuss paying her refund – but it couldn't reach her. In such circumstances, I'd say again that it wasn't unreasonable to pay the refund towards clearing the associated debt.

Turning to Mrs R's point around financial benefit, and how she thinks she hasn't received any, I don't share her perspective. It isn't our role to place a complainant in a position of betterment – which would be the case if Mrs R received the settlement she already has *and* didn't have to repay the debt. Instead, I'm satisfied Halifax's approach does enough to put things right.

Finally, on the specifics of the calculations, I'll explain that our role isn't to act as an auditing or actuarial service. Simply put, it isn't for us to check the calculations under dispute here in

detail. Nor can I reasonably require Halifax to continue to engage with Mrs R on this point, particularly if I'm satisfied – as I am here – that it's already provided a reasonable amount of information; I've noted it's already double-checked the calculations for her. In any event, if Mrs R still maintains that something is wrong, or even if she'd simply like a professional opinion, she can contact an appropriate expert to discuss her options.

In closing then, I don't require Halifax to do anything further here and it follows that I don't uphold Mrs R's complaint. To sum up, for the reasons I've explained, I'm satisfied that Halifax has acted both fairly and reasonably in the circumstances.

My final decision

My final decision is that I don't uphold Mrs R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 17 December 2025.

Simon Louth
Ombudsman