

The complaint

Mr F1 and Mrs F, as Trustees of Mr F2's Trust, complain about the service they received from Scottish Widows Limited trading as Halifax Financial Services (referred to as "HFS") in relation to the withdrawal of funds.

They say that the latest compensation offered for distress and inconvenience is not enough.

What happened

A brief timeline of events, as set out by the Investigator, is as follows:

- Between April and May 2024, Mr F1 and Mrs F called HFS multiple times, enquiring about the lack of statements relating to a Personal Investment Plan (PIP) and statements incorrectly being sent to Mr F2 (the settlor of the Trust). They subsequently raised a complaint. They also enquired about whether a Chargeable Event Certificate (CEC) would be issued for a withdrawal made within the last tax year.
- On 8 May 2024, Mr F1 and Mrs F made a withdrawal request for £180,000 from the investment. HFS received the request on 14 May 2024.
- On 20 June 2024, HFS informed Mr F1 and Mrs F's financial adviser that the withdrawal request couldn't be processed without a Letter of Authority from the additional trustee.
- On 21 June 2024, Mr F1 and Mrs F received a letter – addressed to Mr F2 – asking them to complete a Tax Residency Self-Certification form.
- On 28 June 2024, Mr F1 and Mrs F contacted HFS by email and phone, questioning why they hadn't received their withdrawal. HFS told them this was because they hadn't provided a copy of the Trust Registration Certificate. It also acknowledged that it had failed to request this information when they first made the withdrawal request.
- Between June and July 2024, Mr F1 and Mrs F made several further calls to HFS, trying but failing to get in touch with the complaints handler managing their complaint.
- On 23 July 2024 a partial withdrawal of £90,000 was completed. HFS sent Mr F1 and Mrs F a letter, along with a CEC in Mr F2's name, care of Mr F1 and Mrs F, to their home address.
- On 25 July 2024, Mr F1 called HFS to discuss the existing complaint. He was told that, in a Final Response Letter (FRL) dated 24 July 2024, HFS had upheld the complaint. It accepted that the length of time taken to process the withdrawal request was unacceptable. By way of redress, it issued a cheque for £336.71, made up of £236.71 net interest (at a rate of 8% on £90,000) and £100 compensation for the distress and inconvenience caused.
- Mr F1 and Mrs F declined this offer, saying it didn't reflect the distress and inconvenience caused. A new complaint was also set up regarding the partial payment of funds, and a fresh withdrawal request was submitted to HFS's back office for the remaining £90,000.
- On 1 August 2024, Mr F1 sent HFS a chaser, which was forwarded to the complaints manager.
- On 22 August 2024, Mr F1 called HFS to enquire about the outstanding £90,000.

- On 30 August 2024, HFS called Mr F1. It said it had reviewed its decision again and issued another FRL (dated 30 August 2024), upholding the complaint. It accepted that the total withdrawal amount should have been £180,000, not £90,000. To put things right, it issued another cheque for £1,036.96, made up of £786.96 net interest (at a rate of 8% on £86,310.60) and £250 compensation for distress and inconvenience. HFS also paid £90,068.88 to Mrs F, along with providing a CEC (issued the day before).

Unhappy with HFS's responses, Mr F1 and Mrs F referred their complaint to our service. They still don't think the redress was adequate for the time and effort taken to resolve the matter.

Before a view was issued, HFS offered to pay an additional £300 compensation for distress and inconvenience caused by not answering their queries relating to the CEC and statements being sent to the wrong address, as well as an additional £1,611.23 net interest (at a rate of 8% on the second withdrawal of £90,000).

Mr F1 and Mrs F were content with the interest payment but remained unhappy with the distress and inconvenience award. They maintain that this figure should be closer to £8,000, reflecting Mr F1's hourly rate of £80 an hour, as he alone spent over 100 hours trying to resolve the issue.

One of our Investigators considered the complaint and concluded that HFS's latest offer – comprising £2,634.90 net interest and £650 compensation for distress and inconvenience – was fair and reasonable.

Because Mr F1 and Mrs F were content with the interest payment element of the redress, the Investigator focused her view on the distress and inconvenience payment. She said this fell within the range of £300 to £750, which applies where a mistake has caused *“considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months, but it could also be fair to award this range if a mistake has a serious short-term impact”*.

Mr F1 and Mrs F disagreed with the Investigator's view and asked for an ombudsman's decision. In summary, Mr F1 made the following points:

- An additional £300 compensation for distress and inconvenience is not enough given everything they've endured.
- The issue took months to resolve and was compounded by multiple errors.
- It took many hours of calls, emails and letters to resolve the issues, causing “considerable distress, upset and worry” and resulting in significant inconvenience. Therefore, the award should be the maximum of £750, plus the interest payment.
- For clarity, they say they didn't receive a CEC in July 2024, as suggested in the Investigator's view. They say they didn't receive any CECs until June 2025, and only because they were trying to resolve issues involving HMRC. They appreciate this doesn't relate to the Investigator's findings.
- HFS isn't being held accountable in a meaningful way, so it's unlikely to change its behaviour.

The Investigator considered these additional submissions but wasn't persuaded to change her view. In summary, she said:

- The CEC in question was dated July 2024 and correctly addressed. It was more likely than not to have been sent by HFS. If it was lost in the post, that isn't something she could reasonably blame HFS for.
- Other issues relating to the CEC and HMRC weren't part of the original complaint, which is why she didn't consider them.
- HFS accepted that it made mistakes which caused Mr F1 and Mrs F distress and inconvenience, which is why it offered compensation. It isn't our role to punish a business, but to put the consumer back in the position they would have been in but for the errors.

HFS also wasn't persuaded to increase its offer. As no agreement was reached, the matter has been passed to me for consideration.

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.

Having done so, I agree with the Investigator's conclusions for much the same reasons. I'm going to uphold this complaint, to the same extent as the investigator. Whilst I agree that HFS should pay compensation, I'm not going to ask it to increase what it has offered.

On the face of the evidence, and on balance, I'm satisfied that HFS mistakes and should pay compensation to put things right.

Because HFS has already upheld the complaint and paid some redress, the key issue for me to consider is whether that redress is fair and reasonable.

Mr F1 and Mrs F agree with the lost interest payment of £2,634.90, but not with the £650 awarded for distress and inconvenience. So, it's only that element I'll consider. Having done so, I think the compensation for distress and inconvenience, in addition to the interest payment, is fair and reasonable.

Before explaining why, I'd like to thank the parties for their patience while this matter awaited review by an ombudsman, given the current demand for our service.

I also want to acknowledge the strength of feeling Mr F1 and Mrs F have about this matter. They've provided detailed submissions, which I've read and considered carefully. I hope they won't take the fact that my findings focus on what I consider to be the central issues, rather than addressing every point in detail, as a discourtesy.

The purpose of my decision isn't to address every single point raised. I don't need to comment on each one to reach a decision. My role is to consider the evidence presented by Mr F1 and Mrs F and HFS, and reach an independent, fair and reasonable outcome. I think HFS was right to uphold the complaint about the delays in processing the £180,000 withdrawal. There's no dispute that it provided a poor service overall.

HFS failed to make clear at the outset what information was required, as well as only processing a partial withdrawal. As a result, Mr F1 and Mrs F had to submit a further withdrawal request for the remaining funds months later. This all involved numerous phone calls, letters and emails chasing HFS.

HFS accepts that it should have clearly explained the documentation required and processed the full withdrawal in a timely manner.

I recognise that the issue took around four months to resolve and was compounded by other mistakes. However, in this decision I'm only considering the delayed withdrawal request and the impact of that issue. I understand that the original complaint has been split into separate complaints, which are being considered elsewhere.

In these circumstances, I think £650 compensation for distress and inconvenience is fair and reasonable. I'm persuaded that Mr F1 and Mrs F experienced considerable distress, upset and worry, as well as significant inconvenience and disruption, requiring a lot of extra effort over many months. However, I think the impact was likely short-term and at the lower end of seriousness.

I also note that £650 sits towards the higher end of the £300–£750 range. The next band, £750–£1,500, applies where there's substantial distress, serious disruption to daily life over a sustained period, or a substantial short-term impact. Despite what Mr F1 says about spending over 100 hours trying to resolve this complaint, I don't think that higher range is appropriate here, as I'm not persuaded there was serious disruption to Mr F1 and Mrs F's lives over a sustained period, or that the impact was substantial.

I'm mindful of Mr F1's comment about HFS not being incentivised to change its behaviour but – as the investigator noted – the purpose of redress isn't to punish a business. In this case, compensation for distress and inconvenience is to decide how a complainant should be fairly compensated for the impact they experienced. A business is also not obliged to pay redress based on what a consumer might earn an hour.

I understand why Mr F1 and Mrs F feel more compensation is warranted. But taking everything into account, I think the redress offered for this complaint is fair and reasonable. I appreciate that Mr F1 and Mrs F, on behalf of Mr F2's Trust, will be disappointed that I've upheld the complaint but not increased the award. However, on the evidence and on balance, I'm satisfied the overall redress is appropriate.

Putting things right

For the reasons set out above, I uphold this complaint.

To put things right, Scottish Widows Limited trading as Halifax Financial Services should pay the following redress, less any amounts already paid:

- £2,634.90 for loss of interest; and
- £650 compensation for the distress and inconvenience caused.

My final decision

For the reasons set out above, I uphold this complaint. Scottish Widows Limited trading as Halifax Financial Services should pay redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F1 and Mrs F to accept or reject my decision before 26 February 2026.

Dara Islam
Ombudsman