

The complaint

Miss J has complained that Bank of Scotland plc trading as Halifax has treated her unfairly regarding her overdraft interest.

What happened

In February 2025, Miss J spoke to a Halifax agent using the 'live chat' facility. During this chat, she was told that interest wouldn't be applied to her overdraft, and that she'd be able to pay it off over time. However, this was incorrect, and she started being charged interest in August 2025 - and this meant she exceeded her overdraft limit, which has caused considerable distress and inconvenience.

One of our investigators looked into what had happened, but didn't recommend that the complaint should be upheld. He could see that Halifax had refunded the interest/charges applied, totalling £46.48, and had frozen all interest/charges until 29 November 2025. It had also paid £100 compensation for the distress and inconvenience caused, and confirmed Miss J's credit file wouldn't be affected by having gone over the overdraft limit. He thought this was fair.

Miss J disagreed. She didn't think the £100 compensation accurately reflected the upset caused, and said the interest charges had led to a spiral of financial pressure.

The complaint's now been 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.

Having done so, I'm not upholding it. I know this will be disappointing, but I'll explain why.

It's not disputed that Miss J was given incorrect information on the live chat in February 2025. However, it's also the case that she was sent letters in May 2024 and May 2025, saying that her overdraft facility would only be interest-free until August 2025. This was because the account would be changing from a student account to a current account.

So, I think that the May 2025 letter could reasonably have prompted Miss J to realise a mistake had been made, and to have contacted Halifax for clarification. This could have enabled her to make preparation for interest being charged. But, regardless of this, I can see that Halifax reimbursed the interest/charges, and extended the interest-free period. So, I think it gave time for Miss J to arrange financial matters. It also paid £100 compensation to apologise for the error, and I think this is a fair amount, and in line with what I'd have awarded. It's also said Miss J's credit file won't be affected. So, I think it's done enough to put things right. I know Miss J would have liked the overdraft to be written off, but I think this would have been disproportionate.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 11 May 2026.

Elsbeth Wood
Ombudsman