

The complaint

Mr F and Ms S complain that Bank of Scotland plc trading as Halifax sent correspondence related to their mortgage to the wrong address. Mr F says this is a data breach. He says this, and the way Halifax responded to their concerns, caused them stress and exacerbated his health conditions. Mr F asks for compensation of at least £70,000.

What happened

Mr F and Ms S took out a mortgage with Halifax in March 2023. They applied for a new interest rate product in March 2025 via a broker. Correspondence related to the product transfer was sent to their previous address.

Mr F says Halifax sent multiple mailings to their previous address over two years, some of which was opened by the tenants living in the property. Mr F is unhappy about Halifax's response to the complaint, including that it paid compensation to Ms S's account.

Halifax said it made an error. It said Ms S's address was changed back to her previous address in March 2025, due to a system error. However, the only correspondence sent to her previous address related to the product transfer. Halifax corrected its records, reported the data breach and paid compensation of £300. Mr F and Ms S weren't satisfied and brought the complaint to us.

Our investigator said it was unlikely the information in the product transfer correspondence could be used in a malicious way. He wasn't persuaded that Mr F's health issues were due to the data breach.

Our investigator said £300 compensation was fair and reasonable in the circumstances. He said it was reasonable for Halifax to pay this to Ms S, as she is a party to the mortgage and the complaint.

Mr F provided a detailed explanation as to why he didn't agree.

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.

Halifax had a correct address for Mr F and Ms S for the mortgage account. However it had a previous address for Ms S in a different part of its records. In March 2025 Halifax's systems changed Ms S's address for the mortgage account to her previous address. As a result, correspondence related to a product transfer was sent to Ms S's previous address.

Halifax accepts it made an error. It corrected Ms S's address in its records. It logged a data breach. It says there's no evidence of any unauthorised third parties trying to access Mr F and Ms S's mortgage. It says it has robust verification in place to prevent this. Halifax paid £300 compensation into Ms S's bank account.

The issue I have to decide is whether Halifax has done enough to put matters right. When

considering this, I've taken the following into account.

Halifax provided records that evidence it having the correct address for Mr F and Ms S from March 2023 (when the mortgage was taken out). The only exception to this was between 20 March 2025 (when its systems incorrectly changed Ms S's address to her previous address) to 18 June 2025 (when its records were corrected).

Halifax says the only correspondence sent to Ms S's previous address since the mortgage completed was correspondence related to the product transfer.

Mr F says multiple mailings were sent to the wrong address over several years. Our investigator asked Mr F if he could provide evidence of this.

Mr F said the owner of the property contacted him multiple times to hand over letters from Halifax. Mr F said he'd been told by the new tenants that multiple letters from Halifax arrived there, some of which they opened. Mr F didn't provide copies of any of these letters.

Mr F didn't provide testimony directly from the landlord or the new tenants (such as an email from them or written statement signed by them). He didn't provide copies of any texts or other messages from the landlord or new tenants which mentioned mail arriving, to support what he says. Mr F didn't contact Halifax before June 2025 to raise concerns that it was sending multiple letters to the wrong address. Given how upsetting Mr F says he's found this matter, I'd have expected him to have raised this with Halifax.

I should explain that where the evidence is incomplete or contradictory, I make my decision on the balance of probabilities – that is, what I think is more likely in the circumstances.

Based on the available evidence, I don't think Halifax sent multiple mailings to the wrong address over several years. I think it only sent correspondence to Ms S's previous address in May 2025 and early June 2025, related to the product transfer.

Nonetheless, this was a data breach. It's right that Halifax reported the data breach. Fortunately, there's no evidence that this correspondence has been or will be misused.

I'd add that even if other correspondence had been sent to Ms S's previous address (and I don't think this is the case) there's no evidence that it has been or will be misused.

Halifax's system generated letters on 20 March 2025 confirming a change of address. This supports what Halifax says about this being the date that its systems changed Ms S's address. I appreciate that receiving such a letter caused confusion to Mr F and Ms S.

Mr F and Mr S's broker contacted Halifax on 9 June 2025 and told it that the product transfer offer had been sent to their previous address. Halifax said it would raise a data breach and asked that Mr F and Ms S visit a branch to confirm their address. It said they could raise a complaint.

Mr F visited a branch. He says staff were embarrassed, confirmed correspondence was being sent to the old address and attempted to blame him and/or another part of the banking group for not updating his address. Mr F said he made repeated visits to the branch, where he was denied access to the complaints team (although Mr F also said the branch tried to place a call to the complaints team on his behalf).

Given that Halifax has said the problem was due to a system error, I think there was no need for it to request that Mr F and Ms S visit a branch to confirm their address. Equally, I don't think Halifax suggested Mr F make repeated visits to the branch, so I don't think it's

responsible if he did this. The complaints team aren't located at the branch. So I can't fairly find that the branch staff denied Mr F access to them – especially as he says they tried to place a call to the complaints team on his behalf.

Mr F and Ms S's broker made Halifax aware of the problem on 9 June 2025. Mr F sent a letter of complaint to Halifax dated 13 June 2025. Halifax's systems were corrected by 18 June 2025. It sent a final response letter on 19 June 2025 (correctly addressed). I don't think there was any unreasonable delay in Halifax correcting the problem or responding to Mr F and Ms S's complaint.

Mr F says our investigator didn't take into account the effect on Ms S. While Mr F has dealt with the complaint, Ms S (or Mr F on her behalf) could have provided information and evidence about how this affected her, if she wanted to do so.

Mr F says Halifax's error and conduct exacerbated his pre-existing health problems. Mr F provided screen shots of medical appointments and notes. Many of these relate to symptoms experienced prior to mid-2025, so can't have been caused or exacerbated by Halifax's error. I'm not persuaded that the information Mr F provided is evidence that his symptoms after mid-2025 were exacerbated by Halifax's error. There's no comment by a medical professional that evidences Mr F's symptoms had got worse. And the medical notes in late 2025 say the [symptom] "appears to be brought on by work related anxiety...".

I do think Halifax's error caused Mr F and Ms S inconvenience and upset. They'd have been concerned about the data breach. They had to visit a branch and contact Halifax to find out what happened and ask it to put things right. However, once made aware of the problem, Halifax corrected its records and responded to Mr F and Ms S's complaint without any unreasonable delay. In the circumstances, I think for the upset and inconvenience caused, £300 compensation is fair and reasonable. It doesn't change matters that Halifax paid the compensation to Ms S's bank account. The mortgage is in joint names, the complaint is in joint names and it was Ms S's address that was changed in error.

Mr F continued to write to Halifax after it sent its final response letter. I can't fairly require Halifax to pay compensation for the further upset and inconvenience this involved, given it had already offered a fair resolution to Mr F and Ms S's complaint.

Mr F wasn't satisfied with Halifax's response. He didn't like the tone of its communications, he said the compensation isn't enough and he's unhappy that it was paid into Ms S's bank account.

I should explain that complaint handling isn't itself a regulated activity. That means we can't always look into how a complaint is dealt with. We can do so if the way the complaint was dealt with prevented the underlying problem being resolved. That wasn't the case here. As I said, Halifax had raised a data breach and corrected its records by 18 June 2025.

My final decision

My decision is that I do not uphold this complaint. That's because I think the steps taken and compensation paid by Bank of Scotland plc trading as Halifax were fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Ms S to accept or reject my decision before 20 May 2026.

Ruth Stevenson

Ombudsman