

The complaint

Mrs B complains that Bank of Scotland plc trading as Halifax Building Society wrongly initiated a bereavement protocol on her account.

Mrs B is represented by her husband in bringing this complaint. But for ease of reading, I'll refer to any submission and comments he has made as being made by Mrs B herself.

What happened

Mrs B says that on 9 December 2022, she received a letter which was addressed to the Personal Representatives (of herself). She says the letter offered condolences and details of forms to fill in to verify her death. Mrs B has a serious health condition and the letter left her extremely distressed. She made an appointment at a Halifax branch, and the branch manager confirmed the letter was genuine, but she had never dealt with this matter before. She says arrangements were made to reactivate her account, and she asked Halifax a number of questions about how this happened, but she has been unable to get an answer from Halifax about this. Mrs B made a complaint to Halifax.

Halifax upheld Mrs B's complaint and paid her £250. They said the bereavement notification had been applied incorrectly by their system. They said when reviewing the data they've got available, in 2002 there was a date of notification applied to her profile. This means that when an account was closed, or a joint product has been made sole they will apply a date of notification to show this has been done. Halifax said that there were also two profiles within their systems with her data, and the date of notification was applied to one of the profiles with no other accounts/products listed, and due to this their system has then placed this profile into the deceased customers queue.

Halifax said that sometimes with these types of cases they will also review with credit reference agencies (CRA's), and if there is any sort of marker on her file (this may be due to a family member with a similar name or an incorrect deceased marker being placed on by them), this will result in the notification being placed on the account also. Halifax said that Mrs B may want to contact the CRA's to ensure her records are up to date with them. They said a letter should've been issued to Mrs B at the time of notification, on or around 25 July 2022. But it doesn't appear that this happened. Mrs B brought her complaint to our service.

Our investigator did not uphold Mrs B's complaint. She said Halifax have told us that Mrs B had two profiles on their system, one that was linked to a joint home contents insurance policy with another consumer at her home address and another profile with her live banking products. She said the joint consumer on the home insurance policy was marked as deceased in 2002, which had the old profile for Mrs B linked to that old product. In the process of merging customer profiles on their systems, so there were no duplications, this resulted in the old profile linked to the home insurance with a deceased marker being merged onto the active profile for Mrs B. There was no third party notification in this case which resulted in the deceased marker being added, as this was a system error once the system identified both the old and new profiles belonging to Mrs B.

Mrs B asked for an ombudsman to review her complaint. She said she didn't ask Halifax to

put £250 into her account. Mrs B said that this is not a complaint about punishing Halifax, but about finding out their procedures before they send distressing letters, and what protocols have been put in place to stop this happening in the future. She also wanted to know how many times this has happened in the last two years.

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.

Mrs B has made a number of points to this service, and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body, I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I've noted the strength of feeling Mrs B has regarding wanting to know Halifax's procedures regarding the bereavement notification, what protocols have been put in place to stop this happening in the future, and how many times this has happened in the last two years. But I must make it clear to Mrs B that our role is not to make Halifax change the way they act in order to protect other customers in the future. That is the role of the regulator.

I know this will disappoint Mrs B, but it is not within this service's remit to tell a business how they should operate their bereavement notification procedures, and whether to disclose commercially sensitive information about these procedures (such as what their procedures are prior to sending out the letters they send or how many people this has affected in the last two years). It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Barclays to make changes to their policies and procedures, if necessary.

Halifax completed an exercise to merge customer profiles as sometimes they could have multiple customer profiles for the same customer. Mrs B was affected by this as she had at least two customer profiles. Halifax believe the issue here that affected Mrs B was due to a separate profile she had in 2002. Due to the time that's passed, the information Halifax have from this timeframe is limited. And they are not required to hold detailed information from over 20 years ago. But as our investigator explained to Mrs B, it appears that this is related to a joint home insurance policy she had.

A deceased marker was added when the company involved were notified of the death of the joint policy holder on 4 December 2022. So I'm persuaded that it could be possible that the deceased marker they applied at the time could have been administered incorrectly to cover Mrs B also. But because the wider insurance company had more than one customer profile for Mrs B, her active policies continued on a separate customer profile. It's probable that when Halifax merged Mrs B's profiles, to avoid duplications on their system, this resulted in the old profile linked to the home insurance with a deceased marker attached to it, being merged with the active profile for Mrs B.

I've looked at Mrs B's customer notes. This shows on 25 July 2022, that this was part of a larger project, and her account was to be safeguarded. So it is at this time that Halifax should have sent her a letter to verify whether Mrs B had passed away or not. But due to an error, this wasn't sent to Mrs B. If the letter had been sent to Mrs B, I don't believe it would have been addressed or worded in the way the later letter was worded. I say this because the customer note gives instructions to staff "*if customer or representative calls...*", so at this stage Halifax weren't aware if Mrs B had passed away or not and therefore they could receive a call from her.

The next note on their system is dated 21 October 2022. This shows the account had been

blocked. The system note appears to show that a tracing exercise had been completed. So I'm persuaded that this is what led to the bereavement notification being placed on Mrs B's active profile when the multiple profiles were merged. While the note doesn't go into much more detail than this, I've noted Halifax have referred Mrs B to the CRA's in their letter to her dated 18 January 2023, as they explained that they also review information with CRA's and if there is any sort of marker on her credit file (this could be due to a family member with a similar name or an incorrect deceased marker being placed by them), then this will result in the notification being placed on the account also. Halifax also say that as they may have acted on details that are held on her credit file, and they are not the only financial institution that uses this data, then she may want to contact the CRA's to ensure her records are up to date with them.

There's no doubt that what happened here would have been very upsetting to Mrs B, especially given her serious health condition. Halifax have made errors which have caused distress to Mrs B. While they are entitled to merge customer profiles to avoid duplication, it appears they did not follow their process of sending a letter to Mrs B around July 2022 when they recognised there could be different information on different profiles. As a result of them not sending this letter, then Mrs B didn't have a chance to respond, and this ultimately led to the distressing letter they sent, which she received on 9 December 2022.

This inconvenienced Mrs B as she had to get in touch with Halifax. She visited a Halifax branch. The customer notes show she did this on 19 December 2022 and the bereavement marker was removed on the same day.

So I've considered what would be a fair outcome for this complaint. And I'm satisfied that the £250 that Halifax paid Mrs B is proportionate for the impact of what happened to her. While she didn't ask Halifax to pay this to her, this is in line with our awards for what happened here. While the issue was resolved on the day she visited the branch, I'm persuaded that the letter which she received on 9 December 2022 would have been distressing to her, especially given her health issues. She was then inconvenienced to have to put things right by visiting a branch, through no fault of her own, especially as Halifax had not sent the letter that they said they should have done around July 2022. So I'm satisfied that £250 is fair compensation. But as Halifax have already paid this to Mrs B, it follows I don't require them to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 14 November 2023.

Gregory Sloanes
Ombudsman