

## **The complaint**

Mr W is unhappy he wasn't able to downgrade his accounts with Bank of Scotland plc (trading as "Halifax") online.

## **What happened**

Mr W held a number of 'Reward' current accounts with Halifax. In July 2022 Mr W decided he wanted to downgrade some of them to current accounts, which didn't carry a monthly fee – as he'd moved the funds in them to another bank.

Mr W was able to downgrade some of them himself online - but after that he wasn't presented with the option to change any more. Mr W was already in conversation with Halifax about some transfers that had been blocked, and during a call the bank offered him the contact details for its downgrade team. That helpline had closed, though, when he tried to reach them – and the opening times for it were the same as his usual working hours. So Mr W raised a complaint about the difficulties he was having in downgrading.

Mr W did manage to speak to the relevant team, but wanted to raise a complaint about the number of security questions he was asked. The agent wasn't able to verify Mr W, as he didn't answer the security questions correctly – so the account details couldn't be accessed in order to log a complaint. Instead the agent said Mr W could raise his concerns via email or in branch, and eventually terminated the call. Halifax separately offered compensation for the service provided in that instance, which Mr W accepted.

In its response to the complaint about not being able to downgrade online, Halifax apologised and said it could have been more helpful when Mr W called. The bank added that the terms and conditions only allow two Reward current accounts to be held, one sole and one joint. Further downgrades were likely prevented as the system realised that limit had been exceeded. Halifax said it had changed the remaining accounts over to standard current accounts, to avoid further fees being incurred. It also paid Mr W £50 compensation by way of apology for the inconvenience.

Mr W had wanted to keep some Reward accounts, so he was unhappy Halifax had downgraded them all. The bank apologised and paid him £15 to cover any missed rewards – it also said he could ring to speak about upgrading. I appreciate that matter was covered in a separate final response, but I've had to comment on it in this decision – as downgrading all the accounts was something Halifax did in resolution of this complaint. So I need to conclude whether or not that was reasonable in the circumstances.

An investigator here reviewed everything and agreed there had been failings. But, in his view, the compensation Halifax had paid was fair in the circumstances. Mr W didn't accept the investigator's opinion, and asked for an ombudsman to make a final decision on the complaint. So the matter was 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've decided Halifax's apology and the compensation paid sufficiently resolves the complaint.

I acknowledge it would have been inconvenient for Mr W to need to ring to complete the downgrades, particularly during his working hours. But one short call was likely all that would have been needed to achieve the changes he was looking for. That didn't end up being the case here, as Mr W didn't pass the security checks – so couldn't proceed to discuss the downgrades on the call. I've detailed in another decision that I considered the security measures in place at the time were reasonable. So, I'm not holding Halifax at fault for Mr W not being able to complete the downgrades at that point – though I appreciate the issue of the service provided during the call was settled separately.

It seems the error, that prevented Mr W from downgrading all the accounts he wanted to online, stemmed from Halifax's earlier mistake of allowing him to hold more Reward accounts than the terms allowed. While that oversight did mean Mr W later encountered problems when trying to downgrade, it also meant he likely benefitted from the Reward features on more accounts than perhaps he was entitled to.

I know Mr W was unhappy all of his accounts were downgraded, as part of the resolution to the complaint. But I think Halifax was in a difficult position – as in some calls Mr W said his intention was to move all his money, due to his disagreement with the bank's policy of allowing its staff to add their preferred pronouns to their name badges. He also said he was worried about being charged the fee for the accounts, when there was no money in them – as well as the potential impact of not meeting the other criteria for them.

Some of the accounts did have funds left in them at the point they were downgraded. But I don't think Halifax could reasonably have known Mr W intended to retain a Reward account (the maximum he was allowed in his sole name). He also told the bank he didn't want to speak to the downgrades team again – and the issue was time sensitive, due to the upcoming monthly cycle of fees and features that would soon be applied. So, I find that downgrading all the accounts was the safest option, and a reasonable step to take in the circumstances.

Overall, I think what Mr W likely gained from the initial error, of being allowed multiple Reward accounts, balances out the later inconvenience he experienced (of having to make a call). But given Halifax has also paid £50 to compensate his time and effort, as well as £15 towards any potential lost rewards, I find the bank has done enough to fairly resolve the dispute.

### **My final decision**

My final decision is I don't uphold Mr W's complaint against Bank of Scotland plc (trading as Halifax).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 January 2024.

Ryan Miles  
**Ombudsman**