

The complaint

Mr F and Mr F complain about the issues they faced when trying to change their payment due date on their mortgage held with Bank of Scotland plc trading as Halifax.

What happened

Mr F and Mr F's mortgage payments were due on the 25th of each month. Mr F called Halifax on 22 February 2022 to say that he'd changed jobs and his salary payment date was changing. To plan his finances, he asked that Halifax change their payment due date to the first of each month.

Mr F asked for the change to take effect from March. Halifax said that it was too late to process the amendment for 1 March, but they could expect March's direct debit to be taken within the first five working days of the month. From April thereafter the direct debits would be taken on the first of each month.

Mr F and Mr F's payment due date in fact changed from 1 April. So March's payment was still taken on 25 March. Mr and Mr F complained to Halifax. They said they were given wrong information and weren't expecting a payment to come out on 25 March. This caused them to go into their overdraft.

Halifax upheld the complaint. It agreed that Mr F was given misleading information about when the March payment would be taken. It apologised that the direct debit could not be amended sooner, but it said that it wrote to Mr F and Mr F to give notice that the amendment would take place from 1 April. Halifax paid Mr F and Mr F £40 compensation for the inconvenience caused.

Unhappy with Halifax's response, Mr F and Mr F brought their complaint to our service. They don't think £40 fairly compensates them in the circumstances or truly reflects the distress and inconvenience caused. They say that because of Halifax's actions, their finances have been affected and they had to utilise savings to cover the payments taken. To put things right they're seeking £150 compensation to settle their complaint.

An investigator looked into things and explained why he thought Halifax had settled Mr F and Mr F's complaint fairly. He didn't think that Halifax needed to do anything more to put things right. Mr F and Mr F disagreed and asked for the case to be decided by an ombudsman.

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.

I appreciate Mr F and Mr F have been waiting some time for a decision on their case. I thank them for their continued patience.

Halifax has admitted it got things wrong. So, the issue I have to decide is whether the things it has done to put things right, including the amount of compensation it has offered, is fair and reasonable.

I've carefully considered everything Mr F and Mr F have said about how they've been impacted as a result of Halifax's actions and how they should be fairly compensated in the circumstances.

When making an award for compensation, I must decide what's fair and reasonable to both sides involved, giving careful consideration to all the circumstances of this case. I also think it's important to explain that, as a service, our awards are designed to compensate consumers - not punish organisations.

We look at the impact any mistakes have had on the consumer concerned and give careful consideration to a consumer's individual circumstances, in determining whether any award for distress and inconvenience is warranted and to what extent.

When Mr F and Mr F asked to change their payment due date, it was inevitable that they'd have two payments taken from their nominated bank account in close proximity. Mr F and Mr F say that they were expecting February and March's payments to be taken in close proximity – not March and April's.

Halifax accepts it gave Mr F misleading information on the phone, and it has paid Mr F and Mr F £40 compensation to acknowledge the error. I can't reasonably hold Halifax responsible for any further impact described by Mr F and Mr F. I'll explain why.

Following the call that took place, I'm persuaded that Mr F and Mr F were given the right information soon after, and they were provided with sufficient notice that their direct debit was in fact changing from 1 April.

Mr and Mr F's request to change their payment due date was referred to Halifax's processing department. I can see from Halifax's records that Mr and Mr F's account was updated with the new payment due date on 1 March and a letter confirming the change was sent to them on that day. While an actual copy of that letter isn't available, I'm persuaded it contained the right information. I say that because it was recorded on Halifax's system that it was too late to change March's payment. So logically, the letter could only have provided notice that the payment date would take effect from 1 April.

I appreciate Mr F and Mr F feel it's unfair to rely on a letter that's not available. Where the evidence is incomplete or contradictory, as some of it is here, I'm required to reach my decision on the balance of probabilities – that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

Having done so, I'm persuaded Mr F and Mr F had enough information to know their payments weren't changing until April.

Putting the letter to one side, Mr and Mr F ought to have also reasonably noticed that a large payment of almost £600 hadn't left their account in early March.

Mr F and Mr F knew a payment was due that month and so it was likely being collected later in the month as per their existing arrangement. As explained by our investigator, theoretically those funds should still have been available as a payment was always due that month, regardless of the date it came out, unless of course Mr F and Mr F spent the funds elsewhere. That's not something I can reasonably hold Halifax responsible for in the circumstances.

When considering everything, I've not seen enough to suggest that Halifax didn't process Mr F and Mr F's request accordingly and within a reasonable timeframe. Halifax accepts it gave some misleading information in the initial call, but I'm satisfied it did enough to put things right.

In addition to the compensation paid, Halifax also offered Mr F and Mr F the option of a Payment Holiday to avoid making two payments within quick succession. This would have allowed them to make up the payment at a time that suited them. While I appreciate, they may not have wanted additional interest to accrue on their account, it would have avoided the financial impact they've described. They chose not to take that option.

To conclude, I'm persuaded Mr F and Mr F ought reasonably to have known they'd be making two payments in close proximity in March and April. For all the reasons I've explained I can't reasonably hold Halifax responsible for the impact described by Mr and Mr F, so I won't be asking it to increase its compensation award in these circumstances.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mr F to accept or reject my decision before 12 January 2024.

Arazu Eid
Ombudsman