

The complaint

Miss D complains that Bank of Scotland plc (trading as Halifax) failed to open a current account or set up a standing order on her behalf, causing her loss.

What happened

Miss D says she contacted Halifax in November 2022 and was helped to open a current account and a savings account. She says that Halifax agreed to set up a standing order on her behalf to move funds across to the savings account each month. Miss D says that, around six months later, she received some emails from Halifax saying that one of her accounts was inactive. She contacted Halifax and found out that the standing order hadn't been set up and no current account had been opened.

She raised a complaint, saying that Halifax hadn't done what it agreed to do. She said she had lost six months' interest as a result. She also said she hadn't been able to sleep because of this, had suffered anxiety and depression and that her health condition had got worse. She asked for an apology and compensation of £350.

Halifax agreed that Miss D had been given incorrect information about funding her savings account. The agent had told her she could set up a standing order from an existing savings account to fund the new savings account. Halifax said that was wrong because standing orders should only come from current accounts, not savings accounts. It apologised for the confusion and offered Miss D £70 for the trouble and upset caused.

But Halifax said that Miss D hadn't asked it to open a current account or set up a standing order. So, it didn't uphold that part of her complaint. It confirmed that a new savings account had been opened in November 2022 and recommended that Miss D fund this from an external account. As an alternative, it suggested that she could apply for a current account with Halifax and set up a standing order from that.

Miss D wasn't happy with this response and contacted Halifax again. She said its offer didn't reflect the difficulties and distress she'd experienced. She asked it to increase the compensation. She says she didn't hear anything and had to contact Halifax again.

When Halifax responded, it still thought the offer of £70 was fair. It said it had no record of a request to set up a standing order. It said a standing order could only be set up on a current account and Miss D doesn't hold a current account with Halifax. It said she would need to set up a standing order from an external account or apply for a current account with Halifax. It also said she could make manual transfers to the savings account from other accounts.

But Miss D said that Halifax hadn't looked into her complaint properly or considered her request for more compensation. She asked for the complaint to be re-considered, but says she had to chase Halifax for a further response. She received a letter from Halifax in November, but it was dated September. Halifax acknowledged that Miss D didn't accept its offer and reiterated that she could refer the complaint to this service, which she did.

Miss D said she had been ignored by Halifax and received a poor service, going round in circles trying to get a response to her complaint. She said that Halifax didn't deal with all her complaint issues and that its offer of £70 isn't fair in all the circumstances. Our Investigator thought that Halifax's offer was reasonable and didn't ask it to do any more. But Miss D didn't agree and asked for the complaint to be reviewed 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.

Miss D called Halifax in November 2022 because she had been trying to open a regular saver account online but hadn't been able to do so. I've listened to this call. The agent explained that Miss D couldn't open the account because she already held a regular saver account; it is only possible to hold one at a time. She confirmed that Miss D could close the existing account and apply for a new one in a day or two using her mobile app. The agent said she could close the existing account for Miss D there and then.

Miss D asked if she held a current account with Halifax and the agent confirmed she did not. Miss D also asked how she would keep a new savings account active and whether she would have to set up a standing order. The agent said that, when Miss D opened the new account, she would be able to fund it in the way she'd funded the old account and would need to set up a standing order.

Miss D asked the agent to go ahead and close the existing regular saver account, which she did. It was confirmed to Miss D that she didn't hold a current account with Halifax. She didn't need a Halifax current account to be able to open a new savings account and she wasn't told she did need one. I'm satisfied that Miss D didn't ask Halifax to open a current account for her during this call. I'm also satisfied that Miss D didn't ask Halifax to set up a standing order during this call.

Miss D successfully opened a new regular saver account the next day. She then called Halifax again. I've listened to this call too. Miss D asked the agent to move funds from her everyday saver account to the new regular saver account. I'm satisfied that the agent did this and the statement shows the funds crediting the new account that day.

Miss D then said she had set up a standing order. She asked if funds could go directly into the regular saver or whether they had to go through the everyday saver first. The agent told her they could go directly into the regular saver account. There was a discussion about whether Miss D should cancel the standing order she had set up. But she finished the call by saying she had set up the standing order to move funds from her everyday saver to her regular saver account every month and she would leave it as it was.

Halifax accepts that some of the information given by the agent in this call was wrong. Specifically, it's not right that Miss D could set up a standing order from her everyday saver account to fund her regular saver account. That's because standing orders can only come from a current account. So the information was wrong, although Miss D told the agent she had already set up this standing order.

In fact, there was no standing order in place. So no funds were credited to the new savings account after the manual transfer by the agent. Miss D had opened the new account so that she could earn a higher rate of interest. So I can understand her disappointment that funds weren't paid into the account regularly as she had intended. But I don't find that to be Halifax's fault. I'm satisfied that Miss D didn't ask Halifax to set up a standing order for her.

She didn't ask it to open a current account either and she wasn't told that Halifax had opened a current account. So Halifax did nothing wrong by not putting these things in place.

Unfortunately, Miss D didn't find out until six months later that there was no standing order in place. But her statements show the transactions on her accounts, so I think she could have found out earlier that her new account wasn't receiving funds. I don't think it was Halifax's fault that she wasn't aware of this.

Miss D is unhappy about the service she received from Halifax after she complained, particularly the amount of time it took to respond to her. I think Halifax responded to Miss D's complaint and subsequent contact within a reasonable time. It seems there was a delay in her receiving its final letter. But, from what I've seen, I can't conclude that was Halifax's fault.

The situation has been very distressing for Miss D and she has provided medical evidence for me to consider. I sympathise with her situation, but I don't think the difficulties and distress she has experienced are Halifax's fault. It did make a mistake by giving incorrect information about setting up a standing order from a savings account. But I don't think that caused the losses or the distress she has suffered. In the circumstances, I think Halifax's offer of £70 is fair and it should pay that to Miss D. But I'm not going to ask it to do any more.

My final decision

Bank of Scotland plc has already made an offer to pay £70 to settle the complaint and I think that offer is fair in all the circumstances. So my decision is that Bank of Scotland plc should pay £70 to Miss D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 24 April 2024.

Katy Kidd
Ombudsman