

The complaint

Mr M and Mrs M complain that Bank of Scotland plc, trading as Halifax changed the account name on their joint account and this resulted in a cheque paid into the account rejected.

What happened

Mr M and Mrs M paid a cheque into their local Halifax branch using the immediate deposit machine (IDM). The cheque was rejected because it didn't have the same name for Mrs M that was recorded on Halifax's system held. Mr M and Mrs M complained to Halifax. Halifax upheld the complaint and accepted that the error in the account name on its system was more likely than not caused by human error. Halifax apologised to Mr M and Mrs M, confirmed it had corrected the error, and paid Mr M and Mrs M £200 for the inconvenience the error had caused.

Mr M and Mrs M brought the complaint to the Financial Ombudsman Service and one of our Investigators looked into things. The Investigator thought the apology and explanation provided by Halifax, along with a payment of £200 for the inconvenience the rejected cheque caused Mr M and Mrs M, was a fair and reasonable resolution to the complaint. Mr M and Mrs M asked that an Ombudsman decides the complaint

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 understand that Mr M and Mrs M will be disappointed, but for very much the same reasons as the Investigator I've decided that the £200 Halifax has already paid them in respect of this complaint is a fair and reasonable remedy. I will now explain why.

Halifax accepts it made a mistake when it deleted Mrs M's first name on the account, so I don't need to make a decision on the merits of the complaint – instead I have to consider whether the remedy Halifax has already carried out is a fair and reasonable one.

Halifax carried out an investigation and can't pinpoint which member of staff changed the account name, but it believes it was more likely than not a human error – caused by a member of its staff when Mrs M opened a new account in January 2022. I understand that Mrs M wants a full explanation of what happened, but from the system notes Halifax has provided I'm satisfied the explanation it provided in the final response letter dated 10 January 2023 is a reasonable one. I acknowledge that Mrs M will be disappointed, but I'm not able to tell Halifax to provide an alternative explanation as there is no other evidence that shows me precisely what happened.

The IDM rejected the cheque because of Halifax's error. Halifax says a cheque cannot be re-presented once it has been rejected by the IDM. Again, I appreciate this will be disappointing to Mrs M, but Halifax has confirmed this is done to protect customers from fraud. This meant that Mr M and Mrs M had to contact the payer and ask for the cheque to be re-issued.

In this case Halifax corrected the error promptly and provided a reasonable explanation to Mr M and Mrs M about what is likely to have happened. I think the error caused Mr M and Mrs M some frustration and they would've been shocked and disappointed that a cheque made out in the correct name had been rejected by the IDM. I also think Mr M and Mrs M would've have been inconvenienced by having to contact the payer to obtain a new cheque, or to make alternative arrangements to receive the funds they were due. This inconvenience would've been for a few days, or a few weeks at most. So, I think the payment of £200 Halifax has already made to Mr M and Mrs M, and the explanation and apology it provided, is fair in all the circumstances.

My final decision

For the reasons I've detailed above, I won't be asking Bank of Scotland plc, trading as Halifax to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 29 August 2023.

Paul Lawton
Ombudsman