

The complaint

Miss C complains about delays and poor service when Bank of Scotland plc trading as Halifax was asked to transfer funds into a new Junior ISA (JISA).

What happened

At the beginning of October 2022 Miss C's mother, Mrs C, opened a new JISA for her with Halifax. A transfer request was made to Miss C's existing savings provider, a business I'll call O. Halifax says it chased O for the funds on 9 December 2023 and wrote to Mrs C to advise that if they weren't received by 23 December 2023 the JISA would be closed. The JISA was subsequently closed by Halifax.

Mrs C has explained she had to visit the branch to open a new JISA with Halifax. When Mrs C complained on Miss C's behalf, Halifax agreed to pay £50 to cover costs for visiting a branch and the inconvenience caused.

A new JISA account was opened in January 2023 and Halifax says it requested funds from O. But despite Halifax advising it had completed the transfer process, funds weren't successfully received from O and in April 2023 Mrs C complained on Miss C's behalf again. Halifax offered a further £50 and says it attempted to chase O for the funds again. On 28 April 2023 O advised the transfer request had been declined due to an error with Miss C's date of birth.

A new transfer form was completed and submitted to O by the ISA processing team on 2 June 2023.

Mrs C referred Miss C's complaint to this service and it was passed to an investigator. On 16 June 2023 Halifax submitted its file and said it wanted to offer Miss C a further £150 compensation for the delays and service received during the JISA application and transfer process. Halifax also advised it would backdate the interest to October 2022, when Mrs C had first completed an application to open a JISA for Miss C. Halifax went on to confirm Miss C's funds were received on 30 June 2023 and that it had added backdated interest of £32.27 to her JISA.

Our investigator agreed there had been unreasonable delays and service provided. But the investigator thought Halifax's offer of £150 in addition to the £100 it had already paid and agreement to backdate interest was a fair way to resolve Miss C's complaint. On Miss C's behalf, Mrs C asked to appeal and said she found it impossible to call the local branch to try and resolve the JISA transfers. Mrs C added she'd had to visit the branch on several occasions, complete multiple JISA applications and that the level of distress and inconvenience caused wasn't reflected in the compensation Halifax offered.

As Mrs C asked to appeal, Miss C's complaint has been passed to me to make a decision.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under. I want to assure Mrs C I've noted all the dates she's told us she tried to contact Halifax and had to visit the branch. Mrs C's added that it was only after she used personal connections to contact a member of staff that the JISA request was finally completed. I've factored everything Mrs C's told us about the circumstances of Miss C's complaint when reaching my decision.

I agree with Mrs C that the service provided was poor. There were significant delays in dealing with the JISA transfer along with a lack of reasonable updates. In addition, Mrs C's told us she made a significant number of calls to her local branch to try and resolve the matter but they all went unanswered. Mrs C had to visit the branch on multiple occasions in relation to a matter that should've been straight forward to process and resolve. So I can understand why Mrs C feels Halifax treated her unfairly.

With that said, I need to explain that as Miss C is the account holder and customer of Halifax, she's the complainant in this case. The powers the Financial Ombudsman Service operates under only allow us to award compensation to complainants in terms of the distress caused by a business' actions. I have no powers to make an award of that nature for someone acting as the representative of a complainant, as Mrs C is doing here. So whilst I don't doubt how frustrating Mrs C found the process, delays and lack of reasonable contact from Halifax, I have to focus on how those issues impacted Miss C when reaching a decision. I appreciate that will feel somewhat harsh to Mrs C who was the party that appears to have taken all the necessary steps of open Miss C's new JISA.

I note Mrs C's told us she feels Halifax should compensate her based on her income. But this was a private matter Mrs C engaged in on behalf of Miss C, so I'm not persuaded there are grounds to tell Halifax to compensate her time based on her income.

Halifax has confirmed the funds were received into Miss C's JISA on 30 June 2023 and that it added backdated interest of £32.27. Mrs C's recently asked for a statement to verify the backdated interest has been paid and I can see our investigator has requested this from Halifax. A letter from Halifax has recently been issued confirming that statements can only be issued annually, on the anniversary of the account opening. But Halifax's letter confirmed the current balance. If Mrs C accepts this decision on Miss C's behalf, Halifax will be legally obliged to proceed by paying the missed interest. So whilst I note Mrs C's concerns, I'm satisfied that arrangements have been made to credit Miss C's JISA with the backdated interest.

Halifax offered £100 to between January 2023 and April 2023. Halifax has confirmed it would like to offer Miss C a further £150 for the distress and inconvenience caused by the way her JISA account transfer was handled. Whilst I note everything Mrs C has told us about her experience during the JISA transfer process, I think the total offer of £250 fairly reflects the level of distress and inconvenience caused to Miss C by the delays. And, as Halifax has agreed to backdate the interest to October 2022, I'm satisfied there's been no financial loss caused by the way Halifax handled the JISA request.

I'm very sorry to disappoint Mrs C but as I'm satisfied Halifax has resolved the account

opening issues and agreed a settlement to Miss C that is fair and reasonable in all the circumstances, I'm not telling it to do anything else.

My final decision

My decision is that I uphold Mrs C's complaint and direct Bank of Scotland plc trading as Halifax to settle by backdating the interest on Miss C's JISA to October 2022 and paying her a total of £250 for the distress and inconvenience caused (less any compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 31 January 2024.

Marco Manente
Ombudsman