DRN-4663380

The complaint

Mr L complains that Bank of Scotland plc, trading as Halifax, failed to invest the amount agreed in his stocks and shares ISA. He says Halifax won't give him a calculation to show how much growth he's missed out on and that he's spent months trying to get somebody at Halifax to help him, but he never receives any call backs. He wants compensation for the missed growth and compensation for the distress and inconvenience he's been caused.

What happened

I set out the background to this complaint and my provisional findings in my provisional decision dated 7 February 2024, a copy of which is reproduced below:

> *What happened*
>
> Mr L has a stocks and shares ISA with Halifax. He funded the ISA by a monthly direct debit from his bank account and it was automatically invested by Halifax.
>
> In or around February 2022, Halifax identified that it hadn't been collecting the correct direct debit amount since March 2014. It apologised and sent Mr L a cheque for £100 for the inconvenience caused. It said that, as a result, £11,186 hadn't been collected and invested in a corporate bond fund as agreed. It said Mr L could pay all or part of the missed payments and Halifax would invest it as if the payments had been received when they should have been. And it said this wouldn't impact his annual ISA allowance. It said Mr L could also choose to re-start his payments for investment in the corporate bond fund. He needed to contact Halifax by 31 October 2022 if he wanted to do this.
>
> Mr L phoned Halifax on receipt of the letter. He wanted to know how much growth he'd missed out on. Halifax wrote to him shortly afterwards to say that it couldn't calculate what the value of the investment would be if the money had been collected at the right time because of the nature of the investment and the fluctuating value of it.
>
> Mr L phoned Halifax twice more and on both occasions he was promised the figures he'd requested. But he didn't receive them.
>
> Halifax said it wrote to Mr L on 19 April 2022 to tell him that it had failed to collect £119 each month and that if the money had been invested when it should have been the investment growth would be £1,010.77.
>
> Mr L got back in touch with Halifax in January 2023. He complained that he'd still not received the information he'd requested. He was told the figures couldn't be provided. But during a further phone call on 12 January, he was told the figures would be calculated and Halifax paid him £400 for giving him the wrong information. This was followed up by Halifax in a letter dated 10 February 2023 when it said it was too late for it now to backdate the payments.

From 24 February to 23 March 2023, Mr L phoned Halifax at least three times and was promised call backs which he didn't always receive. When he did receive a call back, the member of staff took the details of his complaint but then said they couldn't help him and that he'd have to await a further call back.

On 24 March 2023, Halifax wrote to Mr L to apologise for the lack of a call back. It paid him a further £100 compensation. And it provided the figure which it had given in its letter dated
19 April 2022 for the growth Mr L had missed out on.

Our investigator didn't think the complaint should be upheld. He noted that since Mr L had referred his complaint to this service Halifax had provided the calculation of the missed growth and had extended its offer for Mr L to make the missed payments and that Halifax would make up the difference in lost growth. He thought the total payment of £600 compensation for the distress and inconvenience caused was fair and reasonable.

Mr L didn't agree. He said, in summary, that:

- All he wanted from Halifax was to know how much his investment would be worth now, if it had correctly collected and invested the agreed payments. But nobody could answer his question, he was continually re-routed to departments that couldn't help him, and didn't receive promised call backs.
- During the last call he had with Halifax, he was told the offer to make up the missed payments was no longer available.
- He is concerned that Halifax, and the investigator, are relying on an initial call during which he said, "*I understand*", but that none of his other calls have been listened to. He says these calls show how evasive, dismissive, and misleading Halifax has been.

What I've provisionally 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.

Firstly, I'm aware that I've summarised this complaint in less detail than the parties and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. In particular, I've not listed every phone call that took place. Or every piece of correspondence which was sent. And I've not asked Halifax to provide all of its call recordings as Mr L requested. That's because I'm satisfied that I have enough information from both parties' written record of the calls to make a decision.

Halifax made a mistake. It didn't collect the agreed amount of money from Mr L over an extended period and this meant he missed out on the agreed investment in the corporate bond fund in his ISA. Having made a mistake, I would expect Halifax to put Mr L back in the position he'd be in now if the mistake hadn't been made. I'm satisfied it offered to do this. In its initial letter to Mr L in February 2022 it said:

"If you choose to pay some or all of the total amount, we'll check the value of the investment in the Corporate Bond Fund and ensure you're no worse off had the payments been made to the Fund at the correct time. Any payment you make will not impact your ISA tax allowance."

Mr L had missed out on a total investment of £11,186. This was a considerable sum for him to find and to decide whether he should invest, even given the reassurance that he wouldn't be any worse off than if the payments had been made at the correct time. Whilst Halifax couldn't give Mr L financial advice, I would expect it to provide him with enough information so that he could decide whether he wanted to make the investment now (and for it to be backdated). For example, if the total growth he'd missed out on was minimal, Mr L might have decided it wasn't worth his while to make up the missed payments; whereas, if the missed payments had meant he'd missed out on considerable investment growth, he may have been keen to make the payment so that he didn't miss out.

He reasonably asked for this information, and I don't think Halifax treated him fairly by telling him it couldn't provide him with the calculation. It also provided him with conflicting information – he was promised the figures on several occasions; but he was also told they couldn't be provided.

Halifax told us it provided Mr L with the figures he'd requested on 19 April 2022. Mr L told us he didn't receive that letter. Halifax can't provide us with a copy. And I note that in later phone calls, staff made no reference to this letter. After careful consideration, I'm not persuaded Halifax sent this letter.

Halifax says it set out the figures again in its letter to Mr L dated 24 March 2023. But by this date the figures it provided were almost a year out of date.

Halifax has recently told us it will provide Mr L with an up-to-date figure for the investment growth he's missed out on. And it's confirmed that it will extend its offer – to allow Mr L to make full or partial payment of the missed sum of £11,186 without impacting his ISA allowance and ensuring he receives the investment growth he would have received had the investment taken place when it should have. It's suggested its offer should remain open for eight months from the date this complaint is closed. I think it would be fairer for the eight months to start either from the date Mr L receives Halifax's letter setting out the investment growth figures, or my final decision, whatever is later.

Whilst Halifax will provide Mr L with an up-to-date figure of the growth he's missed out on, this will only be valid for the date on which Halifax makes the calculation. Mr L should be aware that the price of the corporate bond will fluctuate.

Overall, Halifax provided a poor service to Mr L. It didn't give him the information he'd reasonably asked for. Mr L had to make several phone calls, promised call backs weren't made, and conflicting information was provided. This was clearly frustrating and time consuming for Mr L. Halifax has paid him a total of £600 for the distress and inconvenience it's caused, and I think this is fair and reasonable.

My provisional decision

Bank of Scotland plc, trading as Halifax should provide Mr L with a letter which sets out up to date figures for the investment growth he has lost out on.

> Mr L will then have eight months from the date of that letter, or the date of my final decision, whichever is later, to pay an amount of his choosing, up to a maximum of £11,186 to Halifax for the investment he missed out on. Should he choose to make a payment, Halifax must ensure Mr L receives the growth and income on the investment as if it was invested when it should have been. The investment must not impact Mr L's annual ISA allowance.

Responses to my provisional decision

Both parties agreed with my provisional decision. Halifax sent Mr L its updated lost growth calculation which showed that, as at 8 February 2024, Mr L had missed out on the opportunity to subscribe £14,042 for investment in his ISA and, as a result, had lost out on investment growth of £363.

Mr L confirmed he'd received the up-to-date figures. But he said he was worried that the lost growth won't be paid unless he contacts Halifax, and his complaint was caused because of the difficulties with his contact with Halifax previously.

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.

Both parties are in agreement with my provisional decision and Halifax has provided the up-to-date figures to Mr L (correct as at 8 February 2024).

I understand Mr L's concerns about contacting Halifax because of the problems he encountered previously. But, if he chooses to make up the missed payments, he needs to contact Halifax to tell it how much he wants to pay. To make it clear, Mr L won't receive any lost growth unless he chooses to make up some, or all, of the missed subscriptions (up to the value of £14,042 as at 8 February 2024). Halifax's offer to apply his payment to his account as if it had been paid monthly as intended since March 2014 will remain open for eight months from the date of this decision – so until 6 November 2024.

My final decision

If Mr L chooses to make up the missed subscriptions and makes a payment to Bank of Scotland plc, trading as Halifax before 6 November 2024, Halifax must ensure Mr L receives the growth and income on the investment as if it was invested when it should have been. The investment must not impact Mr L's annual ISA allowance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 3 April 2024.

Elizabeth Dawes
Ombudsman