

The complaint

Mr C complains about the service he received from Bank of Scotland plc trading as Halifax when he transferred his ISA from another provider.

What happened

In March, Mr C opened an ISA account with Halifax. He chose an account which pays interest monthly as he uses the interest to pay his bills. He wanted to transfer funds from an ISA he held with another business which I'll call P. Halifax sent a transfer request to P. Mr C says that, upon receipt of this, P closed his account and sent a cheque to Halifax.

But Mr C was concerned about how long the transfer was taking. He says he enquired about its progress many times in the Halifax branch and with P. He says that Halifax kept telling him it was only a matter of time and that he wouldn't lose any interest even if the transfer took a little while to process. He says it wasn't until 14 April, after much chasing by him, that he was told by Halifax that the cheque from P had gone missing and another one would need to be issued.

P sent another cheque to Halifax on or around 18 April. On or around 26 April, Halifax told Mr C that it had received this cheque. But Mr C also received a letter from Halifax saying that there was a problem with the cheque so it couldn't be paid. It said that the date on the cheque wasn't legible. So, the funds couldn't be credited to Mr C's Halifax account and he had to ask P to raise another cheque.

Mr C raised a complaint with Halifax at this point. Halifax said that the ISA transfer hadn't completed yet because it hadn't received the first cheque and the second cheque wasn't clearly dated. It said it would monitor his account for receipt of the new cheque and tell Mr C when it was credited. It also said it would ask its ISA transfer team to backdate the interest. Halifax paid Mr C £80 in recognition of the distress and inconvenience he'd experienced, although it said the delays weren't its fault. It wrote to Mr C at the time telling him that it had resolved his complaint.

Having asked P to raise another cheque, Mr C says he contacted Halifax each day after that. But he says it didn't confirm receipt of the cheque until 3 May. A few days later, he hadn't heard any more, so he came to this service. He was very concerned about the situation, particularly the amount of time it was taking and the fact that he hadn't received an interest payment by that point. He said that Halifax had told him the matter was resolved and he was very unhappy about this because he said he was still waiting to hear of further progress beyond the third cheque having been received.

After the complaint had been referred to this service, Halifax told Mr C that the first interest payment would be made on 28 May. He said that was at odds with previous assurances from Halifax that it would be paid as soon as possible. In the end, Mr C didn't receive the payment until 31 May. Halifax said it had backdated the calculation to 31 March.

Mr C was very unhappy about having to wait until the end of May. He said he was dependent on the interest to pay bills and that the stress of the situation had been

significant. He said he had to go into the Halifax branch numerous times because he couldn't get through on the phone, all of which added to the stress and inconvenience which continued well beyond the point at which Halifax had paid him £80.

Our Investigator thought that Halifax had treated Mr C fairly and didn't ask it to do any more. But Mr C didn't agree. He said his difficulties in dealing with this situation whilst being a carer hadn't been considered, nor had the problem of trying to speak to anyone at Halifax over the phone. He said there was a lack of communication within Halifax and that he'd consistently been told the payment would be imminent. He said Halifax hadn't paid the interest within a reasonable time and had caused him significant cost and inconvenience. He 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.

It's clear that Mr C found the ISA transfer process extremely stressful and he says he's shocked at the amount of time it took. The process clearly didn't run smoothly here and took longer than expected. I don't doubt that the experience caused Mr C a great deal of stress and I sympathise with his situation. But my role is limited to looking at the actions of Halifax. So, my decision will focus on the part Halifax played in the transfer process and the extent to which it is responsible for the stress and inconvenience Mr C suffered.

Information on Halifax's website says that the timescale for a transfer from a non-Halifax ISA is 15 working days. It says this is the indicative timing of a typical transfer and may vary. I've borne this in mind when considering this complaint.

Mr C's account was opened on 28 March. I'm satisfied that Halifax sent the transfer request to P on that date. So there was no delay by Halifax in starting the transfer process.

But, after this point, Mr C says that cheques went missing, were rejected and took weeks to be processed by Halifax, causing delays. He says he asked about progress of the transfer many times, but Halifax staff kept telling him it was only a matter of time until he would hear from them. I can appreciate that was frustrating for Mr C. But Halifax couldn't give him any news until it heard from P. I don't think Halifax had cause to take any further steps or contact P again during the first few days after it had sent the transfer request. At this stage, things appeared to be moving in line with the usual transfer timescale.

Information on Halifax's website about the typical timescale says that, from day 11 onwards, it will chase the old ISA provider if it hasn't received a timely response to its transfer request. I find that that Halifax contacted P again on 11 April. That's within its usual timeframe for chasing up requests, so I think Halifax acted reasonably in this respect.

Mr C says he wasn't told until 14 April that the cheque from P had gone missing. I find that Halifax only found out itself on that date, as a result of contact from P. So, I don't think Halifax delayed in informing Mr C about the missing cheque. I don't think it could have known before this that the cheque had gone missing and I don't think it had cause to contact P before 11 April. I don't find it to be Halifax's fault that the cheque went missing. So, I don't think Halifax was responsible for any delay up to this point.

Mr C says that P issued a second cheque on 18 April. I find that this was received by Halifax on 25 April. I haven't seen anything to explain why the cheque took several days to arrive. But, from the information available, I can't conclude this was Halifax's fault. Unfortunately, once the cheque arrived, it couldn't be paid because there was a problem with the date on it.

I don't find that to be Halifax's fault. Halifax told Mr C about this promptly. So, I don't think it was responsible for any delay at this stage.

It was at this point that Mr C raised a complaint. Halifax says the branch manager explained to him that the transfer hadn't completed because the first cheque hadn't been received and the second one wasn't valid. I find that to be correct. Halifax didn't think it had done anything wrong. But it says that the branch manager sympathised with Mr C's situation, so she arranged to pay him compensation of £80. She said she would look out for the new cheque and let Mr C know when it arrived. She also said she would ask the ISA team to backdate interest. I think that was a fair resolution to the complaint at that time.

Mr C says that Halifax wrote to him and told him the incident had been resolved. He's unhappy about this as he says the matter wasn't resolved and there were many problems afterwards which caused more inconvenience and stress. When Halifax wrote to Mr C, his ISA still hadn't been transferred. So, the matter of the transfer wasn't resolved. But the letter was about the complaint only, not the ongoing transfer process. The letter said *"Thanks for letting us know about your concerns and giving us the chance to look at what happened. We reviewed the details and can confirm we've now resolved your complaint"*. The complaint as it stood then had been resolved, so I find the letter to be correct.

P issued a third cheque on 27 April, but Mr C says it wasn't cashed and credited to his Halifax account until 3 May. I'm satisfied that Halifax received this cheque on 3 May. It was credited to Mr C's account that day, so I don't find that Halifax delayed in processing it. I understand Mr C's frustration that it took a few days for the cheque to reach Halifax. But I don't find that to be Halifax's fault. I note there was a bank holiday during that period which may have affected the postal times.

I find that Halifax called Mr C on 3 May and told him the cheque had been received and credited to his account. So, it contacted him as soon as the cheque arrived which is what it had agreed to do. Mr C says he went into the branch every day it was open between 28 April and 3 May to find out what was happening. I don't doubt that this was stressful and inconvenient for him. But I don't think it was necessary for him to visit the branch every day, as Halifax had told him it would let him know when the cheque arrived.

It was a few days after this that Mr C brought the complaint to this service. He says he was promised that the first interest payment would be made as soon as possible, but he hadn't received it. He was very concerned about this as he relies on the interest payments to pay bills. I understand that interest is paid to Mr C on the 28th of each month. Halifax says that, because it didn't receive the cheque until 3 May, it couldn't credit interest on 28 April and the first interest payment date was 28 May. I think that's reasonable.

But Mr C says he was given many false promises from Halifax about this, with the branch being unable to communicate effectively with the ISA team and him being unable to contact the ISA team himself. It seems that the branch staff were doing their best to assist Mr C and were sympathetic to his situation. I don't doubt what Mr C says about being told he would receive an interest payment straight away, so it's understandable that he was disappointed when this didn't happen. Unfortunately, he seems to have been given some incorrect information initially about the timing of the payment. He says it wasn't until mid-May that he was told he wouldn't receive the interest until 28 May. Halifax wasn't obliged to make the interest payment straight away. So, I don't think it did anything wrong by not doing so. But it's unfortunate that this wasn't made clear to Mr C at the outset.

Mr C says he hoped the ISA team would use some discretion and make the first interest payment soon after 3 May. No interest was paid into his account until the end of May. But, on 9 May the branch staff gave Mr C £60 in cash. This was a gesture to help him while he

waited for the interest to be paid and had to be paid back. I think this was a reasonable approach by Halifax. Even though the interest itself wasn't paid early, Halifax responded to Mr C's concerns by providing this cash, which I think was a fair approach. Mr C says he had to juggle his responsibilities so that he could go back to the branch to repay the £60. I understand that was inconvenient for him. But I don't think that's Halifax's fault and it had provided this cash as a way of helping Mr C at the time.

Halifax said the first interest payment would be made on 28 May, but Mr C didn't receive it until 31 May. The terms and conditions of Mr C's account say that, if the day interest is due to be paid isn't a working day, Halifax will pay it on the next working day. 28 May wasn't a working day and nor was 29 May as it was a bank holiday. So, I think it was reasonable that the payment wasn't made on 28 May, although it's unfortunate that neither party seems to have realised in advance that this wasn't going to be a working day. I think Halifax should have made the payment on 30 May and I haven't seen anything to suggest it did. So, I find there was a small delay in the interest being paid to Mr C.

I'm satisfied that Halifax backdated the interest calculation to 31 March (which is the date P says it issued the first cheque). I'm satisfied this puts Mr C in the position he'd have been in if there hadn't been any problems with the cheques. I think that's fair. So I don't think Halifax needs to do any more about the interest.

But this situation caused Mr C very significant hassle, frustration and worry. He says he has been under intense pressure and is already under a great deal of stress as a carer. He says that, at times, he was visiting the branch nearly every working day - to his great inconvenience and difficulty - as it was impossible to contact Halifax by phone. I don't doubt that Mr C was greatly affected by this experience and I sympathise with his situation. But, in making this decision, I'm only looking at Halifax's role. So, I can only make an award if I think Halifax has done something wrong which had this impact on Mr C.

Overall, I don't find Halifax to have delayed the transfer of Mr C's ISA. I think it acted in line with its normal procedures as well as the terms and conditions of Mr C's account and I think it treated him fairly. So, although I realise Mr C found the situation extremely stressful, I don't think that was because of mistakes that Halifax made.

I think it did give him some incorrect information about when he might receive the first interest payment. But I think this was mitigated by the branch lending him £60 and the interest being backdated to 31 March. It also seems that it was difficult for Mr C to get through to Halifax on the phone. But I don't think it was necessary for him to call Halifax every day or visit the branch every day. So, whilst this was stressful and inconvenient for him, I don't think this was entirely Halifax's fault.

Halifax has already paid Mr C £80. I don't think it had to do that, as I don't find the problems with the first two cheques (and any consequent delay) to have been Halifax's fault. Halifax recognised the distress and inconvenience Mr C had suffered, even though this wasn't its fault, and chose to make the payment. I'm sorry to disappoint Mr C but, in light of this and taking account of all the circumstances, I'm not going to ask Halifax to do any more.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 December 2023.

Katy Kidd
Ombudsman