

The complaint

Miss Z complains that Bank of Scotland plc trading as Halifax (Halifax) debited her account in error.

What happened

On 24 January 2023 and 25 January 2023, Miss Z's mother visited her branch of Halifax to make some withdrawals from her account. But the debits were applied to Miss Z's account instead, as follows:

24 January 2023: £300

25 January 2023: £100, £89.

Miss Z complained. She said Halifax had committed a data breach and her mother shouldn't have to pay the money back to her. She said her mother couldn't afford to repay it and it was causing relationship issues between them.

Halifax apologised and said a mistake had been made, as the correct identification procedures hadn't been followed. Halifax paid compensation of £200 to Miss Z, and said they'd need to ask her mother to pay back the £489. They would do that following Miss Z's agreement to do so.

Miss Z brought her complaint to us. Our investigator said the errors had been made by Halifax, but it wasn't fair that Halifax should be asked to cover the amount of the withdrawals – because Miss Z's mother was effectively better off by that amount, and he gathered she'd already agreed to pay the money back to her daughter. He said Halifax's payment of compensation of £200 was reasonable for what happened.

Miss Z didn't agree and asked that an ombudsman look at her complaint, and so it has come to me to make a final decision. Miss Z added that she had previously put in place an extra layer of security on her account – whereby her ID and signature were needed for any withdrawals.

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 not in dispute that Halifax made an error here. Their cashier didn't look at the ID of Miss Z's mother and debited the wrong account.

Halifax have apologised and paid compensation of £200. I understand the cashier has offered an apology and taken responsibility for their mistake.

I looked at the Payment Services Regulations (PSR) which apply where payments are made by mistake – which is the case here. These say that Halifax should see if the money is still available in the recipient's account (i.e. Miss Z's mother), then they can take the money from

that account and put it back into Miss Z's account. The process is expected to take 20 working days. So – Halifax can do that if they must go down that formal route.

But - in practice, I would hope that the recipient (Miss Z's mother) agrees that the money can be transferred back to her daughter's account. That would clearly be the best and most amicable way to settle this issue and get some closure.

Miss Z argues that she has additional security on her account whereby ID and a signature is needed for any withdrawals – but Halifax explained that is their checking process anyway – and they failed to apply it in this case. So – that doesn't affect my decision here.

Miss Z has been directed to the Information Commissioners Office (ICO) regarding her complaint regarding a possible data breach - and she's told us she has informed the ICO.

Given the circumstances of what happened, I don't think it's reasonable to ask Halifax to write off the amount of £489. I accept and appreciate that there has been upset caused and for this, I think the compensation paid is in line with what happened, and what we would expect to see.

In summary, while Miss Z will be disappointed by my decision, I'm not asking Halifax to do any more than they already have. I hope that the transfer of money back to Miss Z's account can be concluded amicably.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 22 November 2023.

Martin Lord
Ombudsman