

## The complaint

Mr and Mrs M have complained about a subaccount (98) on their mortgage account held with Bank of Scotland plc trading as Halifax. They are unhappy that, although they'd previously been told that the account was closed, it was not, and a small outstanding balance remained.

To settle the complaint Mr and Mrs M want Halifax to clear the account and pay compensation.

## What happened

I will summarise the complaint in less detail than it's been presented. There are several reasons for this. First of all, the history of the matter is set out in detail in correspondence, so there is no need for me to repeat the details here. I will instead concentrate on giving the reasons for my decision. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs M being identified. So for these reasons, I will keep my summary of what happened quite brief.

This complaint arose from long-standing administrative issues on the account, where Halifax had previously issued two final response letters in 2018 and 2019. Those letters set out in detail how the issue relating to the 98 subaccount arose – as a result of overpayments which Mr and Mrs M had expected to be made towards the main 01 account only, rather than the 98 subaccount.

This current complaint is that, although the 98 subaccount had been at a zero balance since at least 2019, by March 2022 it was showing a balance of £2.16. Halifax explained that this had arisen as follows:

*“Following a recent review of your account it was identified that in the past, some overpayments made to your mortgage were deducted from the balance of sub account 98 rather than sub account 1 and as sub account 98 has a 0% interest rate this has resulted in your being charged more interest.*

*To make sure your account correct going forward, we have applied some corrections to the account which meant we needed to move the £2.16 that was paid off sub account 98 and move it to the correct sub account 1, this has resulted in the balance of sub account 1 reducing by £2.16 and the balance of sub account 98 now having a debit balance of £2.16 which is why it appeared on your recent annual mortgage statement.*

*A credit interest adjustment of £0.65 has also been applied to sub account 1.*

*Going forward the £2.16 that has been moved will no longer incur any interest charges.”*

Halifax offered compensation of £50 for any upset caused.

Mr and Mrs M weren't happy about this and contacted our service. An investigator looked at what had happened. The investigator explained that we couldn't look at any issues covered in the 2018 and 2019 final response letters, as these had been brought out of time. Mr and Mrs M, in an email dated 30 September 2022, confirmed they accepted this.

The investigator looked at what had happened, and noted that Halifax had put the account back in the position it should have been in had the error not been made in apportioning overpayments. The investigator asked Halifax to increase its offer of compensation to £200. Both Mr and Mrs M and Halifax agreed with the investigator's findings, the compensation was paid and the complaint was closed.

However, after Mr and Mrs M paid in £2.16 to clear the 98 subaccount, this was, in error, apportioned to the main account, and a fresh complaint was raised about this with Halifax, and then with our service, under a fresh reference number.

The investigator issued his opinion on that complaint, in which he went over again the issues that had arisen in relation to this complaint. The investigator explained that the £2.16 balance on the 98 subaccount had arisen due to a remediation exercise carried out by the bank. The investigator remained of the opinion that the information provided by Halifax didn't appear to show any uncorrected errors in this regard.

Mr and Mrs M decided that they wanted this current complaint re-opened and reviewed by an ombudsman as well, and so it is in relation to this that I am issuing a final 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.

It's clear that, over the years, Mr and Mrs M have been caused some upset by the way Halifax has administered the account. Mr and Mrs M previously accepted that we can't consider any issues that were covered in the 2018 and 2019 final response letters, but have since said they want those matters looked at.

I confirm that the matters covered in the 2018 and 2019 final response letters were referred to the Financial Ombudsman Service more than six months after the dates of the final response letters. The investigator has clarified which parts of our rules govern the time limits that apply to complaints, so I won't repeat them here.

Halifax hasn't consented to us considering those matters, and there are no exceptional circumstances to explain the delay. The Financial Ombudsman Service therefore has no jurisdiction to consider any issues contained in the 2018 and 2019 final response letters.

In relation to the other issues raised in the complaint, we don't carry out a forensic accounting service on behalf of consumers. It is always open to Mr and Mrs M, if they still believe their account balance is incorrect, to have the account forensically audited, at their own expense.

If this was to identify any errors attributed to Halifax that have resulted in financial loss to Mr and Mrs M, they would be able to bring a fresh complaint about that (subject, of course, to these not being issues that have already been addressed either in previous final response letters or previous complaints to our service), and claim the cost of the audit as part of the redress.

I've reviewed the information Halifax have provided, including the remediation information contained in the spreadsheets the bank sent us. These satisfy me that the remediation was carried out correctly and that the £2.16 balance was properly applied to the 98 subaccount.

I'm satisfied that the £200 compensation already accepted by Mr and Mrs M and paid by Halifax is fair and reasonable in all the circumstances, and I am not ordering Halifax to do anything more.

I am sorry that further issues arose which relate to Mr and Mrs M's efforts to clear the £2.16 balance – which will be dealt with by another ombudsman, as a fresh complaint was raised about those matters under a separate reference number. But in relation to this particular complaint, I am satisfied that Halifax has correctly adjusted the account. This means I'm not asking Halifax to do anything more in respect of this particular complaint.

### **My final decision**

My final decision is that I don't uphold this complaint, insofar as I'm satisfied that the compensation of £200 which Bank of Scotland plc trading as Halifax has already agreed to pay is fair and reasonable in all the circumstances. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 1 August 2023.

Jan O'Leary  
**Ombudsman**