

The complaint

Mr G complains that Halifax Share Dealing Limited (“Halifax”) overcharged him in respect of his sharedealing account.

What happened

Mr G holds two share dealing accounts with Halifax, which it says sit behind two separate customer profiles – one under the Halifax brand and the other under a different brand associated with a predecessor business, which I’ll refer to as X. In 2020 Halifax wrote to customers saying that as of April 2021 it was changing its sharedealing account fee and commission structure, reducing its dealing charges while increasing the annual account fee to £36.

The crux of Mr G’s complaint is that he feels Halifax has incorrectly applied the new fee structure to him. He says the letter sent to him by Halifax informing him of the changes said he would only be charged one fee regardless of how many accounts he held with Halifax. Since introduction of the new fee structure Mr G has paid one Halifax account fee by cheque and two sets of fees were paid via deductions from received dividends on the other account.

He complained to Halifax that he had been charged more than one set of fees. But it considered it had acted correctly, in short because Mr G effectively held two accounts.

The complaint was referred to this service, where our investigator reached a different conclusion to Halifax. He felt the complaint should be upheld.

He noted Halifax’s explanation that Mr G was being two charged two sets of fees because he had two ‘customer profiles’ – one for Halifax and one for X. It applied a fee for each profile. But the investigator went on to highlight the wording of the letter sent to Mr G, which had said, in part -

“Customer Administration Fee. We’re introducing a new £36 annual fee to cover the costs of running the Share Dealing Service. The first fee will be taken in April 2022. If you have more than one account with us then you’ll only pay this fee once, whether it is a Share Dealing Account, a Stocks and Shares ISA or a ShareBuilder account.”

The investigator felt this implied that Mr G would only be charge one set of fees. He noted that the terms and conditions made no mention of ‘profiles’ and that from the information available regarding Halifax’s fees and charges it was reasonable to conclude that there was one annual fee for the service, regardless of the number of accounts held or how Halifax chose to structure them.

The investigator noted that it had been suggested that Mr G amalgamate the ‘profiles’ to create a single account to which only one fee would be applied. But this hadn’t happened, in part because of the breakdown in the relationship between the parties created by the difficulties Mr G had experienced in dealing with the matter.

The investigator proposed that, on the basis that Mr G agreed to amalgamate the accounts

Halifax should refund any fees paid where he'd been charged him more than one annual fee per year since the new fee structure started and void any outstanding 'extra' fees. It should also pay Mr G £100 for the inconvenience caused.

Halifax didn't accept the investigator's view. It said the letter had explained that only one fee would be taken whether a customer had a share dealing account, a stocks and shares ISA or a Sharebuilder account (a customer could hold all three of these types of products under their profile).

But this didn't cover a scenario where a customer had more than one share dealing account. This wasn't permitted under the same brand but could occur if a merger had taken place and the customer had retained separate profiles under each brand, for instance, for organisational purposes. This being so, it felt the letter had not been misleading.

Mr G provided some further explanation as to how the two profiles had come about – relating to a predecessor business, as noted. And suggested compensation should be higher based on court rates and costs. He also raised concerns relating to evidence and what had been said in emails relating to the matter.

As no agreement could be reached, the matter was referred to me to review.

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.

Having done so, I've come to the same conclusions as those reached by the investigator and for broadly the same reasons. I want to assure Mr G that I've read and considered everything on the file. But that said, I'm satisfied I don't need to comment on every point raised to reach what I consider to be a fair and reasonable decision. Where I've chosen not to 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. That approach is in line with the rules we operate under.

I agree with the investigator's view that the wording of the 2020 letter sent to Mr G would have reasonably led him to conclude that the new fee structure would mean he would only be charged one set of annual fees. I appreciate what Halifax has said about the historical set up of Mr G's sharedealing arrangements leading to him having two 'profiles'. But I see no reason why he would've been aware of the potential consequences of this. As noted, the terms of the account didn't offer any clarity on this point. And the letter could simply have also included an explanation along the lines of the information later provided by Halifax in response to Mr G and this service.

I understand that it may not have included this because there probably wouldn't have been many customers affected in the way Mr G was. But when the issue was raised with it, I think in the circumstances, given that it was clear this was something of an anomaly and Mr G had gained nothing from retaining the two profiles, it would've been reasonable to simply offer to refund the extra charges if Mr G agreed to an amalgamation.

Putting things right

On the basis that Mr G agrees to the amalgamation of his two profiles/accounts, Halifax should:

- Refund any fees paid where it would've charged him more than one annual fee per year since the 2021 fee structure was put in place.

- Void any outstanding fees which Mr G hasn't paid where if he did would cause more than one fee to be paid per year since the 2021 fee structure was put in place.

For clarity, if Mr G doesn't agree to the amalgamation, no refund and/or voiding of charges will be required.

- Pay Mr G £100 for the distress and inconvenience caused by the matter.

My final decision

For the reasons given, my final decision is that I uphold the complaint and direct Halifax Share Dealing Limited to pay compensation to Mr G as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 April 2024.

James Harris
Ombudsman