

## The complaint

Mrs W and Mr W complain about a Bank of Scotland plc, trading as Halifax, error and the distress and inconvenience this caused.

## What happened

Mrs W and Mr W have a direct debit in place with Company A.

In November 2023, Halifax unfortunately made an error on Mrs W and Mr W's bank account. They left a £17.94 transaction pending after it had been debited and this led to the Company A's direct debit not being paid.

Mrs W and Mr W complained to Halifax and Mr W said that because of this error:

- His car wasn't insured
- *'In theory'* he was driving unlawfully for 5 days
- They had to borrow money to cover other pending payments
- The above caused distress, inconvenience, embarrassment and worry about being stopped by the police for not being insured

Halifax apologised for their error and, in their 11 November 2023 letter, said:

*'I'm arranging to pay you £40.00 for the inconvenience caused and I would like to consider any additional expenses please contact me to discuss if applicable. You'll see this in your account within the next 48 hours'.*

Mrs W and Mr W were dissatisfied with the amount of compensation, so Halifax increased this to £100. Also, Mr W didn't think it was right that the £40 was credited to his account when he hadn't agreed to it.

However, Mrs W and Mr W were dissatisfied with Halifax's increased offer and brought their complaint to our service. But our investigator considered Halifax's offer to have been fair and reasonable.

As Mrs W and Mr W remain dissatisfied, their complaint has been referred to me to look at.

## 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'm not upholding this complaint and I will explain how I have come to my decision.

I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the points Mr W has made, even though I don't specifically address them all.

I'd first like to say I'm very sorry to hear about this error and the distress and issues it caused Mrs W and Mr W.

I should explain that:

- There are rules (known as DISP Rules) laid down by the Financial Conduct Authority (FCA), who are the financial services regulator, which means complaint handling is not a regulated activity. So, complaints about Halifax's complaint handling process, including the crediting of compensation without agreement, can't be considered by our service.
- In cases where information is incomplete (as it is in this case), inconsistent or contradictory, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.
- In circumstances like these, where it's clear a bank has both accepted and apologised for an error it's made, my role is to decide on a fair and reasonable amount of compensation to put things right

With regard to financial losses, I was pleased to see that Halifax say they will consider any additional expenses. I think this this is a fair and reasonable offer. But the following comment from Mr W, in January 2024, suggests this offer was either missed or not received:

*'I was not informed of any out of pocket "expenses'.*

So, if Company A has charged late or failed payment fees, I would encourage Mr W to provide Halifax with this information so they can consider reimbursement.

However, I recognise that that Mrs W and Mr W are seeking compensation for distress, inconvenience, worry and embarrassment. So, I considered whether the £100 Halifax have paid is fair and reasonable.

Regarding compensation, there isn't an exact science to assessment and our approach when making awards for non-financial loss is detailed on our website and tends to be modest.

I found the information on file about whether Mr W thought he was uninsured to be unclear. I'm unable to be satisfied that his insurance policy was immediately suspended, cancelled, had a period of continuation or that there was a discussion with Company A about the impact on his policy and either an alternative or delayed payment.

Where Mr W says that *'in theory I was driving my vehicle unlawfully for 5 days'* from his other submissions, I think it more likely than not that Mr W is referring to a potential risk which caused some worry. And, as I think this potential risk and worry could've been mitigated by contacting Company A, I don't think it would either be fair or reasonable to ask Halifax to pay more compensation for this aspect of the complaint.

Regarding the embarrassment caused by having to borrow money to cover other pending payments, when considering the limited information on file, together with the error amount and rectification time, I think Halifax's offer of £100 was a fair and reasonable amount of compensation.

Having considered the above and all the information on file, although I recognise Mrs W and Mr W's annoyance and frustration here, I'm satisfied that Halifax's compensation payment is both fair and reasonable. So, I'm not upholding this complaint.

**My final decision**

My final decision is that I'm not upholding this complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 13 April 2024.

Paul Douglas  
**Ombudsman**