

## The complaint

Miss F complains about Bank of Scotland plc, trading as Halifax, duplicating a refund and causing her distress and financial difficulties.

## What happened

I issued a provisional decision on 2 April 2024, and this is what I said:

*I've considered the relevant information about this complaint.*

*Based on what I've seen so far, there will be a different outcome to what our investigator proposed.*

*Before I issue my final decision, I wanted to give everyone a chance to reply.*

*I'll look at any more comments and evidence that I get by 16 April 2024. But unless the information changes my mind, my final decision is likely to be along the following lines.*

### *The complaint*

*Miss F complains about Bank of Scotland plc, trading as Halifax, duplicating a refund and causing her distress and financial difficulties.*

### *What happened*

*Miss F was expecting a refund to her Halifax account of £2,699.28 and she received the credit on 1 June 2023.*

*On 6 June 2023, Halifax made an error, and they again credited Miss F's account with the same amount. Halifax didn't spot this mistake until 16 August 2023, when they informed Miss F and, to give her some notice, they asked for her to authorise a debit for the overpayment.*

*As they didn't get a response Halifax wrote to Miss F on 18 September 2023 and again on 18 October 2023 when they took the overpayment back. Miss F says she didn't receive the letters and she was shocked and distressed when Halifax debited her account with the £2,699.28.*

*Miss F says she was unaware of the overpayment, trusted her balance was correct and had been experiencing a number of very stressful events in her life. Miss F explains that she was very busy with a health issue and various personal and business transactions. Also, she was using her overdraft and just didn't notice the duplicate payment. She feels Halifax's mistake has had a significant impact on her financial situation and mental health.*

*Miss F complained to Halifax. Halifax apologised for the duplication error and offered Miss F £25 compensation. They said there was no error in them taking the money back and that when doing so they'd followed their banking procedures.*

*Miss F brought her complaint to our service, but our investigator considered Halifax's response to be reasonable.*

*As Miss F remains dissatisfied, her complaint has been referred to me to look at.*

*What I've provisionally 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 partially upholding this complaint and I'll explain why.*

*Firstly, I'd like to say that I'm very sorry to hear of the stressful events that Miss F was experiencing in 2023.*

*It's clear that Halifax made an error duplicating a refund. Miss F was though surprised that Halifax took the duplicate refund back without her permission, but I'm satisfied:*

- *Halifax acted within the terms and conditions of the account*
- *Their initial approach was to request the return of the overpayment rather than deduct the amount*
- *They wrote to Miss F on more than one occasion to notify her of the error and only deducted the amount because they didn't get a response*

*So, although Halifax made an error, Miss F wasn't entitled to keep their funds and they were entitled to request and then take their funds back. And when doing so I'm satisfied they followed their procedure.*

*It is unfortunate that Miss F didn't receive Halifax's letters. However, I'm satisfied this wasn't because of a Halifax error. I say this because Miss F hadn't notified Halifax that she no longer lived at her parents' address which is the address held on file.*

*Although Halifax terms and conditions say in their section about 'How will you get information about your account':*

*'You must tell us if your name or contact details change. If you don't, you may miss out on important information or we could send confidential information to the wrong address. If this happens it won't be our fault'.*

*the earliest Miss F would've received Halifax's error notification (had she notified Halifax of her address change or been passed their letters) would've been approximately 9 weeks after the error. And Miss F's points are that she:*

- *Was 'completely unaware of Halifax's error' and thought it was her money*
- *Has been left worse off 'with bills that have piled up and new debt'*
- *Made 'financial decisions with the money I had, not the money I "thought I had"'*

*Whilst I recognise Miss F was very busy and having a stressful time, I assessed the file to consider whether it was reasonable of Halifax to expect her to have spotted the error soon after it happened. For the following reasons I think it was:*

- *Even though Miss F wasn't receiving paper correspondence, there is evidence that in early June 2023 she was regularly viewing and using her account online*
- *There were only a few credits in June 2023*
- *Halifax sent Miss F text messages clarifying both the first and second refunds*
- *Miss F had a balance of £29.84 prior to the duplicate refund being credited to her account*

- *After receiving the duplicate refund, £2,800 was withdrawn and then she started to use her overdraft*

*Although I can understand Miss F budgeting and / or planning on the funds she thought she had and I empathise with her difficulties in not being able to pay direct debits and bills such as phone, utility, credit card payments, HMRC, these appear to be expenditure items that would've required payment regardless of Halifax's error.*

*Miss F says she is worse off due to Halifax's error and, as she thought the funds were hers, she appears to have committed to other expenditure, such as rent. However, as I think it is reasonable of Halifax to think Miss F should've been aware of the duplicate refund, I don't think it would be fair or reasonable to direct Halifax to write off the overpayment.*

*Finally, I considered the compensation Halifax offered her for the underlying error it made. It's clear from reviewing Miss F's submissions and listening to her call with Halifax that the error has caused a loss of trust and confidence, so I think a fair amount of compensation here would be £100.*

*So, having considered the above and all the information on file, my provisional decision is to partially uphold this complaint and I require Bank of Scotland plc, trading as Halifax, to pay Miss F £100 less any amounts already paid.*

#### *My provisional decision*

*For the reasons I've given above, it's my provisional decision to partially uphold this complaint.*

*I require Bank of Scotland plc, trading as Halifax, to pay Miss F £100 less any amounts already paid.*

*I'll look at anything else anyone wants to give me – so long as I get it before 16 April 2024. Unless that information changes my mind, my final decision is likely to be as I've set out above.*

#### **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.

I didn't receive a response from Miss F.

Halifax said they agreed with my view and had nothing further to add.

As no further arguments or evidence have been produced in response to my provisional decision, my view remains the same.

I therefore adopt my provisional decision and reasons as my final decision.

#### **My final decision**

My final decision is to partially uphold this complaint and I require Bank of Scotland plc, trading as Halifax, to:

- Pay Miss F £100 compensation less any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 16 May 2024.

Paul Douglas  
**Ombudsman**