The complaint

Mr W complains that he's lost part of his annual ISA allowance because, when adding funds to his plan, Halifax Share Dealing Limited's ('Halifax') system led him to believe his payment hadn't been accepted and so he incorrectly added another payment.

As Halifax refunded the second payment to Mr W's bank account, he would like Halifax to reinstate that part of his ISA allowance with HMRC that's now been lost.

What happened

On 4 May 2023, Mr W decided to top-up his existing Halifax investment ISA. Mr W says that when trying to deposit £4,000 into his plan, he received an error message on Halifax's website, suggesting his payment hadn't been processed. After repeating the deposit request, Mr W subsequently discovered the original payment had been received, so he'd credited £8,000 to his ISA rather than the initial £4,000 that he'd intended.

Mr W immediately contacted Halifax who stated that they would return the second £4,000 to his bank account. They explained, however, that because their investment ISA didn't offer 'flexible' terms, that meant by withdrawing the second set of monies, it would impact what he could pay into the ISA for the remainder of the tax year.

Shortly afterwards, Mr W decided to formally complain to Halifax. In summary, he said that he was unhappy that their systems had incorrectly led him to believe his first payment hadn't been accepted, resulting in him having to make another credit to the ISA. In addition, Mr W said that he was disappointed this meant his ISA allowance for the remainder of the tax year had been impacted, so he asked them to put things right for him.

After reviewing Mr W's complaint, Halifax concluded they were satisfied they'd done nothing wrong. They also said, in summary, that they'd seen no evidence that their IT systems had generated an error message and, in any event, had Mr W been unsure whether his payment had been accepted, he should have contacted them to check first before making any further payments into his plan.

Mr W was unhappy with Halifax's response, so he referred his complaint to this service. In summary, he repeated the same concerns that he set out to the Halifax.

The complaint was then considered by one of our Investigators. He concluded that he didn't believe Mr W would have deliberately made his current account go overdrawn by making an additional contribution into the ISA and, that he reasonably would not have made the second payment if he had not believed with certainty that his first payment had failed. Our Investigator explained that he was minded to uphold Mr W's complaint.

Halifax, however, disagreed with our Investigator's findings. In summary, they said that their terms and conditions were clear about what a consumer should do in such circumstances.

Halifax went on to say that if Mr W was uncertain about whether his initial payment had been credited to his account, he should have contacted them for confirmation.

Our Investigator was not persuaded to change his view as he didn't believe Halifax had presented any new arguments that he'd not already considered or responded to. Unhappy with that outcome, Halifax then asked the Investigator to pass the case to an ombudsman for a decision.

After carefully considering the complaint, I issued a provisional decision on this case as I explained that I had reached a different outcome to that of our Investigator and wasn't planning on upholding Mr W's complaint.

<u>What I said in my provisional decision:</u>

I have summarised this complaint in less detail than Mr W has done, and I've done so using my own words. The purpose of my decision isn't to address every single point raised by all of the parties involved. If there's something I've not mentioned, it isn't because I've ignored it – I haven't. I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome. No discourtesy is intended by this; our rules allow me to do this, and it simply reflects the informal nature of our service as a free alternative to the courts. Instead, I will focus on what I find to be the key issue here, which is whether Halifax's response is reasonable in light of the circumstances.

My role is to consider the evidence presented by Mr W and Halifax in order to reach what I think is an independent, fair and reasonable decision based on the facts of the case. In deciding what's fair and reasonable, I must consider the relevant law, regulation and best industry practice. Where there's conflicting information about what happened and gaps in what we know, my role is to weigh up the evidence we do have, but it is for me to decide, based on the available information that I've been given, what's more likely than not to have happened. And, having done so, I'm not upholding Mr W's complaint – I'll explain why below.

I think the first thing to note is that Halifax's investment ISA doesn't offer 'flexible' terms. In short, what that means is, if a consumer takes money out during the tax year, they then can't put those funds back in without it impacting their annual ISA allowance. Mr W is unhappy because, the duplicated transaction has impacted what he can pay into his ISA for the rest of the tax year by £4,000.

Halifax initially stated that when Mr W's attempt to add monies to his investment ISA failed, he wouldn't have seen an error message because that first payment went through successfully. Halifax have shared a copy of the investigatory work that their IT team completed on the case which appears to show that there was no error message presented to Mr W at the time of the contribution.

However, I think on balance, it's more likely than not that Mr W was presented with some sort of on-screen message or fault on Halifax's website when he first tried to add funds to his ISA. I say that because it follows that had his contribution gone through successfully, Halifax's website would've confirmed as much, and Mr W wouldn't have found himself in the position of needing to repeat his efforts. However, it's at this point that I think Mr W missed an opportunity to follow a different path to the one that he adopted.

Mr W explained that as a consequence of contributing the £4,000 premium twice, he then went overdrawn on his current account. I think that knowing he had limited funds in his current account and a duplicate contribution would take his balance overdrawn, should've reasonably prompted Mr W to first check with his current account provider, either online or *via telephone banking, whether the first payment had been successful of not. Had Mr W checked with his bank, I think it most likely that he would've learned that the first payment had been collected and no further efforts were needed on his part.*

In his complaint to this service, Mr W has explained that he holds his current account with HSBC. I do appreciate that not all consumers have access to either online or telephone banking facilities, so aren't able to check their recent transactions in real time. In any event, Mr W stated that after making the second transaction, he visited his local HSBC branch in person to discuss his account becoming overdrawn. But, had he done so prior to making the second contribution, I again think it's more likely that they would've advised him that the first £4,000 had already left his account.

However, in the absence of not being able to check with his current account provider to see if the first payment had left his account, Mr W had a further two routes open to him. He could have exited the contribution screens and reviewed his recent transactions on Halifax's share dealing website. That would have demonstrated the contribution had been successfully made. I'm satisfied that Mr W knew how to do that because he submitted a screenshot of his recent transactions as part of his complaint.

In addition, as a failsafe, I think Mr W could also have spoken to Halifax's share dealing helpline before repeating the attempt to add the £4,000 if he was in any doubt. Instead, it seems that Mr W only chose to ring Halifax's helpline after he'd made the second contribution, by which point, it was too late for Halifax to do anything about it. Had Mr W telephoned Halifax prior to making the second payment to check whether the first payment had gone through, he would've avoided going overdrawn on his current account and the additional contribution erroneously being made.

In considering Mr W's complaint, I've also looked closely at the terms and conditions that he would've agreed to when he set his investment ISA up. On page 9, section 6.21, it explains "….if you are not certain whether your instructions have been accepted or not, do not try to enter your instructions again. Instead, please try to log on to our online service again and check your account details." It also goes on to say if "…you are still uncertain about whether we have received your instructions, please telephone us and we will confirm the position. We will not be responsible if you give us repeated instructions, incorrect instructions or mistaken instructions".

It therefore seems to me, that it was incumbent on Mr W to have checked with Halifax prior to making another contribution on their system.

<u>Summary</u>

Mr W missed a number of opportunities to identify whether his initial £4,000 had been credited to his account. Rather than taking reasonable steps to check whether Halifax had received his monies, he decided to add further funds. So, while I think it likely that Mr W may have seen some form of message on Halifax's website that led him to believe that they hadn't had receipt of his £4,000, because of the actions that followed, I can't hold Halifax accountable for the loss of £4,000 of his ISA allowance.

<u>Responses to my provision decision:</u>

After receiving my provisional decision, Halifax didn't provide any further comment. However, Mr W said, in summary, that whilst he agreed Halifax had not intentionally done anything wrong, their response confirms to him that they do have problems with their IT and in particular, the information they provide to their customers.

Mr W went on to say that he found it quite incredible that Halifax seem unaware of the advice that he saw on his screen when he was initially unable to make his ISA contribution. In addition, Mr W says that he shouldn't have needed to doubt the information he saw on screen given Halifax is a large UK business.

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've summarised Mr W's response to my provisional decision and I want to acknowledge that I recognise how disappointed he is with the position that he's found himself in. Mr W says that he relied upon the information presented to him on screen and he had no reason to doubt it given he was dealing with a leading high street name. As I've already explained though, I don't doubt that Mr W was presented with some sort of error, otherwise he wouldn't have felt the need to repeat his actions.

However, as I set out in my provisional decision, I do think Mr W missed an opportunity to take a different path when his attempt at adding funds to his investment ISA failed. And, I think that, had Mr W checked with either Halifax, his own bank or looked online at his share dealing account, it's more likely than not that he would've spotted that the original contribution had been successful.

As neither party provided any further new evidence following receipt of my provisional decision, it therefore follows that I have reached the same decision for the same reasons that I set out above.

My final decision

I'm not upholding Mr W's complaint and I won't be instructing Halifax Share Dealing Limited to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 May 2024.

Simon Fox
Ombudsman