

The complaint

Mr E complains that Bank of Scotland plc trading as Halifax aren't allowing him to make a payment to his homeowner loan.

What happened

Mr E says he's been trying to make a payment through his Halifax online banking to pay his homeowner loan, but he's been unable to do so, despite them accepting a standing order to pay money to the same loan, using the same details. Mr E says being unable to make the payment he wants has put him in arrears, and he's still not able to make the payment despite lengthy calls to Halifax. He says he's visited the branch to make the payment, but they were closed. Mr E made a complaint to Halifax.

Halifax partially upheld Mr E's complaint, and they paid him £30 compensation for the service he received. They said as he's got a secured loan, it's not possible to make additional payments through internet banking because loan payments are sent to specialist internal accounting accounts, and missing payments are difficult to locate if wrong details are used. Halifax said that due to this, their policy is that additional payments can't be made through this method. They said he could still make additional payments over the phone via a debit card. Mr E brought his complaint to our service.

Our investigator partially upheld Mr E's complaint and she suggested Halifax pay Mr E a further £100 compensation. She said there are only three ways to make a payment to a secured loan – in branch, by standing order (which Mr E has set up) or over the phone with the loan department using a debit card, so as this is a current policy Halifax has in place, they haven't made any error by following this policy. She said the service Mr E received over the phone had made a difficult situation a lot worse by becoming overly complicated and confusing. Our investigator said Mr E had raised new complaint points, so he'd need to raise a new complaint with Halifax about the points not made as part of his initial complaint.

Mr E asked for an ombudsman to review his complaint. He made a number of points. In summary, he said he does not accept the reason why Halifax don't allow him to make online payments as he uses these details on the standing order payment, he said where our investigator asked him to raise new complaints with Halifax, his opinion is that they are all about the same issue, a number of branch staff are unable to make the payment for him, and he wanted to know if he was being charged for arrears on his account.

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.

Firstly, I'm aware that I've only summarised Mr E's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I'd like to explain to Mr E that it is not within this service's remit to tell a business how they should run their policies and procedures, such as asking them to allow payments to a homeowner loan via their digital banking. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Halifax to make changes to their policies and procedures, if necessary.

I must make Mr E aware that I'm only able to consider the original complaint he made to Halifax. Mr E has made new complaint points, such as arrears, interest on arrears, and service from the branch which wasn't part of his original complaint. While Mr E feels they all form part of the same complaint, as Halifax haven't had a chance to address these newer complaint points, I'm unable to investigate these complaint points as part of the complaint Mr E brought to our service, and he would need to make a new complaint to Halifax about these points.

If Mr E is not satisfied with Halifax's response to his new complaint, then he may be able to bring his new complaint to our service. Out of courtesy for Mr E, I did ask Halifax his question about the arrears. Halifax told me that Mr E was not in arrears. I have viewed information Halifax have previously sent our service as part of the business file they sent us, and I can confirm they aren't reporting any adverse information about arrears to the Credit Reference Agencies. But I can also see that Mr E's screenshots seem to show that he is in arrears, so Mr E may wish to make a new complaint asking Halifax why there is a discrepancy here.

I can understand why Mr E is frustrated by being unable to make a payment to his homeowner loan through his online banking. Especially as it would appear from the screenshots Mr E has sent us that he'd be able to make a payment via this channel. The wording on "*Option 1*" would appear that he could make a payment to his homeowner loan via the payments and transfers section of his internet banking. But Halifax don't actually allow payments to his homeowner loan in this way.

Halifax made Mr E aware in 2020 from a previous complaint he made to them that they couldn't facilitate payments via this channel. So while the wording on Halifax's website would be frustrating for Mr E as it seemingly would go against what he's been told, he ought to reasonably have been aware that he couldn't make a payment via his internet banking.

Mr E would be further frustrated by being allowed to make a faster payment if he made a faster payment with a bank/building society which wasn't a part of Halifax's wider group, as details how this can be done are shown as part of the next option.

I've sought further clarification from Halifax for Mr E why this is. Although this won't change Halifax's procedure, and nor can I ask them to change this, since this is a commercial decision for Halifax to make, they've confirmed that a customer would be able to pay from an external bank (outside of their wider banking group), as they can only do the extra validations for their group's accounts, which doesn't apply to external providers. So this is why an external faster payment could be made to a homeowner loan.

Halifax have said while the same payment details are used for faster payments and standing orders, payments fail at the immediate payment stage in the faster payment process, when extra validation is done. But standing orders are processed differently during their overnight processing, so different processes apply. So as different processes are used then this is why Mr E is able to make payments via a standing order, but not part of a faster payment using his Halifax online banking.

Mr E is aware there are three ways he can make a payment to his homeowner loan – via a

standing order, via the branch, and over the phone using a debit card. I can understand his reasons for not wanting to use the last two options as he's told us most of the branch staff don't know how to process this, and he faces lengthy calls over the phone.

I've considered whether there would be a way for Mr E to make an extra payment to his homeowner loan without him visiting a branch or phoning Halifax. As Mr E is able to make payments via a standing order, I asked Halifax as a workaround whether Mr E would be able to just set up a new standing order for an ad hoc payment he wanted to make, and just cancel the standing order after the payment had left his account. They have confirmed this could work, but they couldn't guarantee it.

So Mr E may wish to try this to see if this allows him to make a one off payment to his homeowner loan. But he'll need to remember to cancel the new standing order once the payment has been made and reached his homeowner loan, otherwise the payment will be made each month. While this isn't the ideal solution that Mr E wants, if it works, it will allow him to make an extra payment without having to visit the branch or ring Halifax to make a payment. Although my suggested workaround may not be as instant as him paying via the branch or over the phone, Mr E may prefer the workaround if it works, to avoid the frustration he has with the branch staff and the long call times to make a payment.

It's not in dispute that Mr E had poor customer service over the phone with Halifax. From the call recording they sent us, Mr E was on the phone for over an hour. He's described a previous call where the call handler was unable to make a payment for him, and the line was disconnected. While I don't have a call recording of that other calls Mr E describes, I've no reason to doubt what he's said here.

The call handler provides Mr E with poor service as while she admits to Mr E she is feeling "*under the weather*" and has hiccups, the call handler at times wasn't listening to Mr E's questions, and she wasn't clear with some of her explanations to Mr E with his complaint they were raising on the phone. Mr E is talking to the call handler while she is having a conversation with a colleague. Mr E tells her that it is rude with someone talking in the background. Mr E is audibly distressed that the call handler isn't listening to him about submitting his complaint.

The call handler tells Mr E that the complaint will be resolved. Mr E is audibly distressed about this. Another person takes over the call without introducing himself, and the original call handler doesn't explain to Mr E what was happening. When the new call handler does identify himself as one of the floor managers, he tries to refer Mr E to their online helpdesk. But neither he, nor the previous call handler identified that their procedures don't allow a payment to a homeowner loan through the Halifax's internet banking, so Mr E would have been further inconvenienced if he had of been transferred after already being on the phone for over an hour.

I've considered what would be a fair outcome for this complaint. While I can't ask Halifax to change their systems or their processes, I hope the possible workaround I've suggested to Mr E will be successful, otherwise he will need to make additional payments via one of the three methods Halifax has available to him. It's clear Mr E has had poor service over the phone, so I'm not persuaded that the £30 Halifax paid Mr E recognises the impact the poor service would have had on him.

I'm satisfied that a further £100 is proportionate for the poor service on the phone. Mr E was audibly distressed by the call handler telling him the complaint would be closed which would mean it was submitted, but she then read a script which said the complaint would be closed and no further action would be taken. She didn't explain to Mr E that she was also speaking to a manager at the same time as him, which Mr E found to be rude when he could hear a

faint voice on the line. The call handler didn't respond to Mr E's questions at times, and she left the call without introducing her manager or why she was leaving the call. So it follows that Halifax should put things right for Mr E.

Putting things right

Our investigator has suggested that Halifax pay Mr E a further £100 for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. Bank of Scotland plc trading as Halifax should pay Mr E a further £100 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 July 2024.

Gregory Sloanes
Ombudsman