



HALIFAX CORRECTS INSURANCE PREMIUMS

Halifax is writing to 200,000 customers to let them know that an incorrect amount was collected from their bank account to pay their monthly home insurance premium. This was due to a technical error which has been rectified. Halifax apologises for this error.

The vast majority of the Group's 1.5 million home insurance customers are not affected by this error. Rather, it impacted some of those customers who add their insurance premium to their mortgage and who pay a single monthly mortgage and insurance payment. The FSA has been informed.

How it happened

Some computer coding linking the mortgage and general insurance systems was incorrect. This meant that the correct amount was not collected each month from the customer's bank account to pay their monthly insurance premium. Instead, any underpayment remained on the mortgage balance so some customers paid more interest than they should have. The error was identified in a regular review of customer accounts.

Putting it right

The average amount of interest being refunded to relevant customers is £12.47. This refund has already been credited to the relevant mortgage accounts and will be shown as an interest refund on the next annual mortgage statement.

The average insurance premium underpayment as a result of this error is approximately £100.00. To make good this underpayment, customers can make either a one-off payment or spread the amount over a number of months to bring their account up to date.

Dedicated Telephone Assistance

All affected customers will receive a letter over the next few weeks explaining what has happened and their correct monthly payment. No further action is required.

A separate, dedicated telephone line is open from 8am to 8pm from Monday to Friday and 9am to 4pm on Saturdays. The contact number is 0845 602 1014

Peter Jackson, Head of Products, Halifax, said:

"We made an error and we have fixed it. We are being very clear about this and are writing to customers to tell them exactly what happened."

Ends./