

The complaint

Mr A is unhappy about how he was treated after an international money transfer he tried to make from his account with the Bank of Scotland plc trading as Halifax was declined.

What happened

On 16 January 2019 Mr A tried to make an international money transfer from his account for £80,000. This was declined by Halifax who had security concerns and blocks were put on Mr A's account and online banking.

Mr A contacted Halifax and the problem was sorted out on 18 January 2019 when a transfer was allowed to go through. Mr A is unhappy with what happened and how Halifax treated him during this time especially as he was out of the country.

Halifax looked into what happened. They said they were following their security procedures in order to protect the account. Even though they didn't think they'd done anything wrong, Halifax agreed to pay £200 to cover a cost Mr A incurred from his airline as part of trying to sort out the problem.

Remaining unhappy Mr A brought his complaint to our service where one of our investigators looked into what happened. He didn't think Halifax acted unfairly as they have a duty to safeguard customers funds and they were acting in Mr A's best interest. Mr A disagreed saying he had been treated appallingly, so the complaint has come to me for a decision.

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.

It's clear to me that the transfer was genuine, and Mr A wanted to send the money. But that doesn't mean Halifax acted unfairly or unreasonably at the time when conducting checks. Nor when putting a block on his account and online banking to protect the funds from fraud when they weren't satisfied with the security information provided by Mr A.

It's also clear to me that what happened was very stressful for Mr A and for his parents who tried to help sort the problem. The payment was for a house purchase abroad which should be a happy occasion, but here that didn't turn out to be the case. I'm glad to see within a few days subsequent transfers allowed Mr A to complete his house purchase.

Measures such as checking large or unusual transfers are in place to prevent fraud. Halifax are free to set their own security policies, including those around international money transfers. These measures may sometimes cause inconvenience, but they are there to protect customers and prevent loss of funds due to fraud.

When Mr A made the transfer for £80,000 this was flagged by Halifax for further checks. Looking at the transaction history of Mr A's account I can see why this was done. In the days before the transfer there were several large deposits made to the account. This was unusual compared to how the account was usually conducted. A transfer of £80,000 is a large sum, and it was unusual for Mr A's account.

Mr A spoke with Halifax to get the blocks lifted so he could make the transfer. Mr A passed the initial personal security questions but Halifax were unhappy with his responses to further questions they asked. So Halifax declined the transfer and put blocks on Mr A's account and online banking in order to protect his funds from potential fraud. Mr A says this was because he was calling from a Voice over Internet Protocol (VoIP) number. But having looked at the evidence I'm not persuaded this was the case. Mr A using a VoIP was taken into consideration, as using a VoIP can often be used for fraud, but this wasn't the only reason Halifax were unhappy.

In cases like this Halifax's procedure is that a consumer has to go to a branch with identification documents to have the blocks lifted. This wasn't possible as Mr A was abroad. To help with the situation Mr A's parents went to a branch. There they had a video call with Mr A. Halifax weren't able to discuss the account with Mr A's parents as they weren't authorised to do so. This understandably left both them and Mr A upset. However, I'm satisfied Halifax followed their procedures by not discussing the account with Mr A's parents as they didn't have the proper authorisation. I think Halifax also acted reasonably by not accepting the video call as identification when sight of the original documents is required under their policy.

Halifax conducted some further checks and removed the blocks within a few days allowing Mr A to make a transfer on time for his house purchase. During this time a third party on behalf of Mr A contacted Halifax. Mr A is unhappy as the block seemed to be removed after this contact, and asks why it took third party contact to fix the problem. Looking at what happened, I'm not persuaded that the third party contact was the only reason for removing the block. But even if it was the case, and I don't think it is, that's a judgement Halifax is allowed to make.

Of course just following procedures isn't always enough, so the question I ask myself is; did Halifax act fairly and reasonably in their actions?

Having looked at what happened I think they did. Halifax had genuine concerns about the transfer. In order to protect Mr A from potential fraud they declined the transfer and conducted extra checks. Halifax wasn't happy with the results of their checks so asked for identification to be sure the transfer was genuine, and that Mr A's account hadn't been compromised. It's clear now the transfer was genuine, and of course Mr A knew that all along, but Halifax didn't know this at the time. They followed their procedures and took reasonable steps to protect Mr A and his account from fraud. As a gesture of goodwill Halifax also paid Mr A £200 for costs he incurred with his airline, even though they were happy with how their procedures were followed.

I've also thought about the timeframe in which this all happened. Taking into consideration the amount of transaction, and Halifax's security concerns, I'm happy that the blocks were removed within a few days. They were clearly a very stressful few days for Mr A, but I think the timeframe was reasonable.

Having considered everything I'm satisfied Halifax acted fairly and reasonably when conducting extra checks on the transfer and in their subsequent actions. That's not to say Mr A wasn't put to some inconvenience; he was. But the amount of inconvenience and upset is small compared to what might've happened had the transfer not been genuine.

My final decision

For the reasons I've explained above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 August 2020.

Warren Wilson
Ombudsman