

## **The complaint**

Mr C complains about Bank of Scotland plc trading as Halifax's decision to suspend his online banking access.

## **What happened**

Mr C was making an online payment to a family member. The payment was stopped for further checks and Mr C was asked to contact the bank. He did so but was unhappy with the security questions that were being asked and didn't want to provide some of the information.

Halifax then blocked Mr C's payment and because he had not answered their questions satisfactorily, they also blocked Mr C's access to online banking and said he'd need to attend a branch with identification to have the block removed. Mr C complained saying he couldn't do so as he's the sole carer for his wife, who is housebound and can't be left alone.

Halifax responded to the complaint to say they were sorry for the inconvenience, but they were satisfied they'd followed the correct process. Unhappy with this response, Mr C referred his complaint to our service.

An Investigator considered Mr C's concerns but said, in summary, he thought Halifax had followed the correct process.

Mr C didn't agree, he felt his circumstances meant that it wasn't fair or reasonable for Halifax to have left him without online banking access for the several months since the transaction had been attempted. Following further enquiries, Halifax agreed to reinstate Mr C's online banking access without him needing to go to a branch.

As Mr C didn't agree with the Investigator's view, the complaint was passed to me. I issued a provisional decision. I've set out my findings again below and they form part of this decision.

## **Provisional Findings**

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*There's no dispute that the payment Mr C was trying to make was blocked by Halifax's fraud prevention measures. All banks have fraud prevention measures in place. These are designed to protect customers and the bank. It's for financial businesses to decide how their fraud prevention measures operate and which transactions will be subject to further checks. And the terms and conditions of Mr C's account set out when Halifax could refuse to make a payment or stop access to his accounts.*

*Mr C contacted Halifax when his payment was stopped, and I've listened to this call. Mr C answered some of the initial security questions, but then became concerned and wouldn't answer any further questions. Mr C was worried about answering these questions because Halifax had called him (he had requested a call back earlier in the day). I see Mr C's point, but the call wasn't unexpected, and Halifax did suggest Mr C call them back using the*

number on the back of his debit card if he was concerned. Mr C said he didn't want to do that. Halifax have provided evidence of their security process and I'm satisfied the agent was asking Mr C questions in line with that process- so I don't think they made a mistake by asking these questions.

Because Mr C didn't want to answer the questions, the agent explained his online banking access would be blocked and he'd need to attend a branch with identification to have the block removed.

Sadly, fraudulent transactions and scams are very common. So I don't think it was unreasonable of Halifax to want to check that the payment being attempted was genuinely being made by Mr C and not as part of a scam. Scams often involve people being asked to transfer large sums of money. It's also not unusual for customers to be told by the scammers not to answer questions asked by the bank – as part of the scam itself. So I don't think Halifax were being unfair or unreasonable in requiring Mr C to answer some additional security questions or then blocking his online account access when he wouldn't answer them.

However, Mr C told Halifax in this call and in a later call with the complaint handler that he would be unable to attend the branch because he's the sole carer for his wife who is housebound and cannot be left alone. Mr C also has his own health issues which would've made it difficult for him to visit a branch – which Halifax were also made aware of. Despite Mr C telling Halifax this twice, they offered him no alternative to attending the branch to get the online banking unblocked.

The FCA's guidance for firms on vulnerable customers requires firms to act with a level of care appropriate given the individual characteristics of the customer themselves. Halifax have told us when Mr C first explained his circumstances they made further enquiries with the fraud team, but given their concerns felt the only way to proceed was to insist Mr C attended the branch with identification. So I don't think Halifax properly engaged with what Mr C was telling them about his circumstances and that, because of those circumstances, he was a vulnerable customer.

Halifax has, following our Investigator's view, decided to unblock Mr C's online banking access – without Mr C needing to attend a branch. When we asked them why they decided to do so, they said they did it as an exception. However, this didn't really explain why they were prepared to do this now, having refused to do anything further when Mr C first complained. Based on the evidence I've seen; I don't think Halifax made proper attempts to help Mr C find another way of getting the account unblocked after he'd explained his particular circumstances when the online banking access was first blocked and, given what he'd told them about his circumstances, I think they should've done. Because of this, Mr C's been without online banking access for about five months.

Mr C's got several accounts with Halifax including a current account and a credit card. I've reviewed Mr C's current account statements during the period the online banking was blocked, it seems he was able to use it normally despite not being able to view the account online and also not receiving statements (since they were paperless). But he has told us he found it difficult to keep track of his finances and was worried during this time.

Mr C's also unhappy Halifax didn't start sending paper statements because his online banking access was blocked. Normally, online banking access is suspended on a short-term basis. So I wouldn't necessarily expect Halifax to have started sending paper statements automatically and I can't see Mr C made a request for them to do so.

Overall, I don't think Halifax did enough to help Mr C get online banking access again after

*their decision to block it and had they done so, I think its likely Mr C would've got online banking access reinstated much sooner. This has caused Mr C distress and inconvenience and I think Halifax should pay Mr C £200 in recognition of this.*

### **Responses to my provisional findings**

Both Mr C and Halifax said they accepted my provisional 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.

As both parties have said they accept my provisional findings, I see no reason to depart from them.

### **My final decision**

For the reasons I've explained, I uphold Mr C's complaint.

To put things right, I require Bank of Scotland plc trading as Halifax to pay Mr C £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 August 2023.

Eleanor Rippengale  
**Ombudsman**