

The complaint

Mrs W complains that Bank of Scotland plc provided poor customer service and blocked access to her account. She'd like her account unblocked.

What happened

On 3 August 2023 Mrs W tried to make a payment of £19,000 via her internet banking. However, the payment was blocked for a security check and Mrs W was asked to call Bank of Scotland to discuss the payment.

Mrs W phoned Bank of Scotland and spoke with two members of staff – however, she found the questions asked intrusive and unnecessary and refused to provide the detail requested. At the end of the second call Mrs W was informed she'd need to attend her local Bank of Scotland branch, with identification, to answer questions regarding her payment.

As Mrs W refused to answer the questions put to her, Bank of Scotland made the decision to place a block on her account. This prevented her access to online banking, and consequently blocked any online banking payments.

Mrs W wasn't happy with Bank of Scotland's actions so complained. Bank of Scotland reviewed their position, said they are sometimes required to ask difficult questions and thought they'd acted fairly in blocking Mrs W's account.

Mrs W brought her complaint to our service. She complained about the customer service she'd received and Bank of Scotland's decision to block her access.

One of our Investigators looked into Mrs W's complaint. After reviewing everything they concluded Bank of Scotland acted fairly.

Mrs W didn't agree. In summary she said:

- It's illegal to block her accounts when there's no evidence of fraud
- She's cancelled the payment now so why does the account need to be blocked?
- What's their rationale for wanting to question her?
- She can't use her debit card, withdraw cash or transfer money between her accounts

As Mrs W didn't agree it's been passed to me to decide.

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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking

this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mrs W and Bank of Scotland have said before reaching my decision.

Account block

On 3 August 2023 Miss W attempted to make a payment of £19,000. This payment was flagged by Bank of Scotland for further security checks. Mrs W called Bank of Scotland and spoke with two advisors about the payment.

I've listened to the calls Mrs W had with Bank of Scotland. I understand Mrs W is of the opinion that the questions asked by the call handlers were intrusive and rude, and she has a reasonable expectation of privacy.

Having done so I'm afraid I can't agree with Mrs W here.

Taking into account the law, regulators rules and guidance, relevant codes of practice and good industry practice Bank of Scotland have a responsibility to:

- Monitor accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

I've thought about how this applies to Mrs W's case. And having looked at what's happened here I can understand why the payment Mrs W was attempting was flagged.

On triggering Bank of Scotland's fraud system Mrs W called the bank. Having listened to the calls, I can see both call handlers ask – amongst other questions – the reason Mrs W was making the payment and who she was sending it to. Mrs W provided some limited detail, but refused to answer several of the questions at which point the second call handler informed Mrs W the payment wouldn't be released until she attend a branch with identification.

I understand Mrs W feels the questions asked were rude. But I can't agree with this. I think both call handlers asked Mrs W reasonable and proportionate questions in a respectful manner.

As a result of Mrs W refusing to answer the questions her account was blocked. I can see from the evidence shared with me that a partial block was placed on Mrs W's account – this prevents her accessing her online banking and making online transfers. I find this a proportionate response to protect Mrs W from potential harm – and for Bank of Scotland to meet their duty of care to Mrs W.

Mrs W's asked why her account needs to remained blocked, if she's decided to cancel the payment. I understand Mrs W query here, but I don't find Bank of Scotland's request unreasonable, or unachievable for Mrs W. They asked her to attend a local branch to discuss her reasons for making a payment to help protect her from the risk of financial harm or fraud. I appreciate that Mrs W believes that she's knowledgeable about scams and this payment was genuine but for the reasons I've already outlined Bank of Scotland still have a responsibility to make additional checks. Including asking questions of their customers.

Mrs W responded to our Investigator's view with several points – these include that she's unable to use her debit card or withdraw cash. From the evidence shared with our service by Bank of Scotland, which includes the block details, the block on Mrs W's account *doesn't* prevent her using her debit card.

For the reasons I've outlined above I won't be asking Bank of Scotland to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 18 April 2024.

Jeff Burch
Ombudsman