

## **The complaint**

Mrs K complains about the service she received from Bank of Scotland plc trading as Halifax ("Halifax") when it applied a block to her account following an attempt by her to purchase a car. Mrs K believes that the actions Halifax took were unreasonable and that the block should've been lifted and transaction allowed to go through when she presented herself in branch.

## **What happened**

On 8 November 2023 Mrs K attempted to make a payment of £14,400 online to a third party account from her Halifax account. Halifax flagged the transaction for further security checks.

Mrs K called Halifax and confirmed the payment was genuine and was for a car discovered through a social media group and that her husband was currently viewing/sitting in it after traveling overnight by coach to see it and buy it on her behalf. Mrs K was unhappy and frustrated about the amount of questions the call handler was asking and as the call handler wasn't satisfied with the answers Mrs K provided they asked Mrs K attend branch bringing ID and her bank card to go through further checks before they would allow the transaction to go through.

Mrs K is very upset by this as she says she doesn't have a branch near her, is disabled and has personal family matters to attend to. Mrs K then confirms she is getting her neighbour to take her to the branch.

Mrs K attends a branch but the staff at the branch and Halifax's fraud department - who spoke to Mrs K while there - were not satisfied about the nature of the payment and so the transaction was again refused as they wanted to carry out additional checks. In particular Halifax, had concerns due to the high value of the transaction and scam concerns they had regarding the transaction Mrs K wished to make. Halifax wanted to be sure the payment details had been confirmed in person as they had only been provided by text message and these can be intercepted.

Halifax suggested Mrs K to make alternative arrangements such as having her husband to complete the purchase as he could confirm payment details with the seller directly in person and that the payment could be made in branch to her husband. But Mrs K didn't want to do this and then had issues later when she wasn't able to transfer the funds to her husband online due to the blocks placed on her account.

Following a further long conversation with Halifax it unblocked Mrs K's account but explained if she attempted to make the same payment to the seller again or transfer funds to another account to make the payment it couldn't guarantee it won't be stopped for a further separate security check.

Mrs K attempted to transfer funds on two further occasions (£10,000 and £5,000) to another account in her name on 9 and 10 November both transfers were stopped for security checks. Following further phone calls and answering questions about these transfers Halifax was able to validate the transactions as genuine and release the payments.

Mrs K complained to Halifax. Halifax says the blocks were applied correctly and was done to safeguard Mrs K's account from potential fraud but agreed better service could've been provided and so made a payment of £250 in recognition of this.

Mrs K was dissatisfied with this and brought her complaint to this service.

One of our investigators looked into Mrs K's concerns but didn't think Halifax had treated Mrs K unfairly or had made an error in blocking the payments as it has a duty of care to safeguard its customers money and the account terms and conditions allowed Halifax to do this. They thought the £250 Halifax had already paid Mrs K was fair and reasonable for the service she received and so didn't think Halifax needed to do anything more.

Mrs K disagreed, she believes additional compensation should be paid to compensate her husband having to sleep in a car and miss work due to the payments being blocked and for having to have her neighbour take her into branch to get the issue sorted. Mrs K has asked for an ombudsman's 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.

I hope that Mrs K won't take it as a discourtesy that I've condensed her complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mrs K's complaint is that Halifax blocked payments she was trying to make that were for the purchase of a car.

It might be helpful for me to say here that, I don't have the power to tell Halifax how it needs to run its business and I can't make Halifax change its systems or processes – such as how or when payments are processed or held for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Halifax needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it was unreasonable for it to have systems in place – in this case carrying out checks on outgoing payments that meet certain criteria for fraud prevention - to ensure the transactions are legitimate and it meets its regulatory requirements. As I'm sure Mrs K understands this is needed not only to protect businesses against criminal activity, but also their customers.

It is very clear to me from listening to the recording of the calls between Mrs K and Halifax how distressing this matter has been for her – and I sympathise. But overall, I can't say the distress was caused by an error on Halifax's part as I don't think the action it took was wrong.

I say this because Halifax applied a block to Mrs K's account so it could carry out further checks when it wasn't satisfied with the initial information Mrs K provided about the payment because it still had - what I think - are legitimate concerns about the payment she was trying to make.

From my understanding the type of payment Mrs K was trying to make looked like it was of a known scam to Halifax, Mrs K wasn't able to provide satisfactory proof that the payment details provided were for the person they were purchasing the car from or explain why Mrs

K's husband couldn't make the purchase. Given the sum involved I don't think Halifax's actions were unreasonable.

I appreciate Mrs K has been both distressed and inconvenienced by this, but the actions Halifax took are allowed under its terms and conditions and is in-line with its regulatory obligations and ultimately, it took this action to protect Mrs K's interests, so I don't think Halifax have acted unreasonably or treated Mrs K unfairly here.

However, Halifax has agreed there was a failing on its part in the service Mrs K received from it and compensated Mrs K £250 for this. I understand Mrs K thinks Halifax should compensate for the distress and inconvenience suffered by her husband and neighbour due to the actions Halifax took. But I can't look at the impact Halifax's actions have had on Mrs K's husband or neighbour personally. As our investigator has already explained, this is because I can only look at how Halifax's actions have affected the account holder – Mrs K – as she is the eligible complainant. So although I accept other people may have been inconvenienced by Halifax's actions I can't look at compensating them personally for this.

Halifax has already compensated Mrs K personally £250 regarding the service Mrs K received which I think is fair for the time Mrs K spent on the phone after her visit to Halifax trying to sort out the issue and as Halifax lifted the payment blocks and Mrs K was able to make the transfers she wished, I don't think there is anything more Halifax needs to do.

### **My final decision**

For the reasons I've explained, I've decided not to uphold Mrs K's complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 4 June 2024.

Caroline Davies  
**Ombudsman**