

The complaint

Mr G complains about poor service provided by Bank of Scotland plc trading as Halifax ('Halifax') when it referred a payment he wanted to make to its fraud team and then blocked his account. He's also unhappy about the way Halifax dealt with his complaint.

To put things right, Mr G wants Halifax to acknowledge and apologise for the full impact of its poor service and pay him more compensation than the £50 it has paid so far.

What happened

Mr G phoned Halifax when he wanted to transfer a four-figure amount from his Halifax account to someone else's credit card account. The agent he was speaking with in Halifax's personal banking team told Mr G that the system showed his proposed payment was showing as 'under review'. She said she could transfer Mr G to Halifax's payment verification team, and that: '...they'll be able to get that authorised for you'.

Mr G's call was put through to a call handler in Halifax's payment verification team. After being taken through security, the call handler checked and confirmed that the payment Mr G wanted to make had been flagged up for a security check. He told Mr G that he'd need to ask him a few questions so '...we can look to get this resolved for you.'

Mr G answered the first three questions he was asked but was reluctant to go into the level of detail required to answer further questions, saying he felt like he was under interrogation. The call handler explained that Halifax was seeing a lot of frauds and scams and the payment Mr G wanted to make wasn't protected and would be unlikely to be recoverable in the event of fraud. Mr G provided assurances that the recipient was reliable and trustworthy, but the call handler explained that he wasn't able to put the payment through if Mr G didn't answer the questions asked. Mr G asked to speak to someone more senior. The call handler put him on hold. When he came back on the line, he told Mr G that he wouldn't be able to speak to a manager and that Mr G now needed to go to a branch with photographic identification ('ID') when he'd be able to raise a complaint. At this point, Mr G terminated the call.

When Mr G complained, Halifax partly upheld his complaint and paid him £50 by way of apology. But it said the fraud team had conducted the call correctly and asking him to attend at a branch with ID was in line with its fraud prevention procedures.

Mr G made a further complaint to Halifax about the inconvenience of having to return to the UK to visit a branch as he'd been abroad at the time. Halifax didn't uphold this aspect of his complaint. It apologised however for the fact that he'd been told some incorrect information in the branch when it was suggested he might not have needed to come into the branch to sort things out. Halifax also said that although Mr G had been led to expect a text message and call back regarding his complaint, that wasn't guaranteed, and Halifax hadn't needed to speak to him further. It explained that payment verification was part of its fraud team.

Further correspondence followed. Halifax told Mr G it had reinstated his internet banking when he attended the branch with the necessary ID – and that it hadn't applied any further

block on his account. It said that since then, its systems had detected malware on his device which could explain any further problems he'd had logging into his internet banking.

Mr G didn't feel this was a satisfactory response and so he brought his complaint to us.

Our investigator felt that Halifax had responded fairly and reasonably to Mr G's complaint and it didn't need to take any further action.

Mr G strongly disagreed with our investigator. He's particularly mentioned the following main points of concern:

- he feels that he clearly explained the payment at the outset and that he was told contact with the payment verification team was to facilitate the transaction.
- He says one call handler used a '...condescending and arrogant tone from the inception' and the questions asked were '...inappropriately invasive' and his answers '...seemingly dismissed with indifference'.
- Mr G said he was sending the money to someone he'd paid before who is a trusted person of integrity.
- He feels Halifax acted in an underhand way when it disabled his online account after he responded to the instruction to activate his online banking.
- He's unhappy that he wasn't put through to someone more senior when he complained about the call handler.
- He's concerned that when he complained about the account block, Halifax didn't contact him even though he'd been assured there would be a full and thorough investigation by an assigned complaints manager – and that his account remained blocked throughout until he went to the branch.
- He's unhappy with the way branch staff dealt with the ID process.

Mr G asked for an ombudsman to review his complaint, so it comes 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.

This includes listening to the call recordings provided.

I can understand why what's happened has been upsetting and frustrating for Mr G. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

Mr G said he felt Halifax's questioning was '...unapologetically invasive.' I appreciate how strongly he feels about Halifax insisting on answers to questions that he feels were unnecessarily intrusive – especially when he had told Halifax that the recipient was 'reliable and trustworthy', and he'd already explained the purpose of the payment.

But Halifax can't simply rely on Mr G giving assurances about the recipient and approving the proposed payment himself. I must take into account that Halifax has legal and regulatory obligations imposed by the Financial Conduct Authority ('FCA'). Halifax is required to have processes in place to help ensure it takes reasonable steps to keep customers' money safe.

Halifax's terms and conditions, which Mr G would've signed up to in order to be able to use the account, say Halifax can stop payments being made if it reasonably thinks this necessary. And it can refuse to make a payment if the payment seems unusual and Halifax

wants to investigate further or discuss this. Halifax's business terms say: '...We may ask you to give us further details about the payment ...before we accept it... to protect you or us from fraud or to ensure we don't breach any law or regulation...'

The call handler Mr G spoke to in Halifax's payment verification team mentioned that Halifax had reason to be concerned about fraud and explained why he was asking Mr G for the requested information. Mr G was setting up a new payment from this account and he declined to disclose information that I think the call handler might reasonably have wanted to rely on to verify that this was a genuine transaction – especially given the likelihood that Mr G could lose his money otherwise.

Having listened carefully to Mr G's discussion with the call handler, I am satisfied that Halifax provided a reasonable level of customer service. I don't find that concerns Mr G has reported about the call handler's attitude or tone are reflected in what I've heard. He was spoken to politely throughout and the call handler explained the information required and why he wanted it. This was in line with Halifax's process, reflected in its terms and conditions and reasonable in the circumstances.

Mr G feels that the call handler simply muted his call and didn't follow up his request to speak to a manager – but I've seen nothing to make me think that's what happened. The call handler explained that a manager would tell Mr G the same information - that he needed to complete security questions before the payment he wanted to send could be authorised. That seems likely to be correct, given this was Halifax's process and set out in its terms and conditions. Customers aren't always automatically entitled to have calls escalated to a manager on request. The call handler confirmed to Mr G how he could pursue a complaint. So what Mr G has said about this doesn't change my overall view.

Mr G had concerns that his account access was improperly suspended. But banks have an obligation to take steps to keep customers' accounts safe and prevent fraudulent transactions. Sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly or unfairly. Checks undertaken as part of Halifax's verification process are designed in the interests of Halifax customers to help keep their money safe and prevent fraudulent activity on their accounts.

Halifax identified that further checks were needed after speaking to Mr G. This is why his account was blocked and I am satisfied that Halifax acted in line with its business terms when it did this.

Halifax informed Mr G that he'd need to visit a branch with ID documents. I think the call handler could usefully have explained that his account access was being suspended and this was why Mr G was being asked to attend at the branch. But there wasn't any opportunity for this to happen as Mr G terminated the call.

I'm sorry that attending in branch was especially inconvenient for Mr G and that he didn't like the way checks were undertaken at the branch. But leaving aside Halifax's admitted error, I haven't seen enough to suggest that he was treated unfairly or unreasonably in any other way when he was in the branch. The block on his account was released when Mr G was able to meet Halifax's ID requirements, which seems reasonable to me.

Halifax has confirmed that after it removed the block on Mr G's account, it hasn't applied any further block on the account. So I don't find that Halifax blocked the account for any longer than was fair and reasonable. Halifax has explained that its systems identified a problem with Mr G's device, and it suggested how to check and fix a problem relating to

malware. It's completely understandable that Halifax would need to have systems in place to protect it from harmful programmes. This doesn't mean that Halifax did anything wrong when Mr G had further problems getting into his online banking after Halifax removed the block it had applied to his account.

I sympathise with Mr G. I appreciate this has been an upsetting experience for him overall and he's been left out of pocket. But I haven't seen enough to uphold his complaint and award the compensation Mr G would like me to. Halifax has acted fairly and reasonably in accordance with its terms and conditions. So it wouldn't be reasonable to require Halifax to cover any financial loss Mr G may have incurred as a result of having to make a special trip back to the UK to unblock his account. Halifax has acknowledged that he was given some misinformation about what the fraud team could do. But this didn't affect the complaint overall because it was incorrect, and he always needed to attend the branch in person with the ID that Halifax needed to see before it was able to unblock his account.

I'm aware that part of Mr G's complaint was about the way Halifax managed its complaint process. Mr G wanted to escalate his concerns to someone more senior and he wanted a chance to talk through all his complaint issues before his complaint was dismissed. The industry regulator, the Financial Conduct Authority (FCA), says our service can only look into complaints about regulated activities, and complaint handling isn't a regulated activity. We can however consider the customer service Mr G received and I kept this in mind when thinking about whether Halifax needs to do more to fairly compensate Mr G.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. Typically, an apology or small monetary award will fairly compensate a one-off incidence of poor service, especially where there is no significant or lasting impact. So just because Halifax agreed that branch staff misinformed Mr G that its fraud team could call a payee in order to approve a payment, it doesn't necessarily follow that we would always award any or any significant compensation. After taking into account everything that Mr G and Halifax have told me, I haven't seen enough to show that Halifax did anything else wrong or that it treated Mr G in a way that wasn't fair and reasonable.

All in all, I think the £50 payment Halifax made by way of apology when he first complained seems fair to me in all the circumstances. I haven't seen or heard enough to make me think it would be fair to require Halifax to do more here.

Mr G has raised several different complaint points over the course of this matter and if I have not referred to each point he's raised it's because I have nothing further I can usefully add to what Halifax and our investigator have said already. I've concentrated on what seem to me to be Mr G's main complaints and the issues he was most concerned about when he asked for an ombudsman decision. I've taken into account everything that might impact on the outcome of his complaint and the issue of fair redress.

My final decision

My final decision is that I don't uphold Mr G's complaint as I am satisfied that the compensation Bank of Scotland plc trading as Halifax has already paid Mr G is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 September 2024.

Susan Webb
Ombudsman

