

## **The complaint**

Miss B complains about the way Bank of Scotland plc trading as Halifax dealt with two international cheques she paid into her account with it.

## **What happened**

In December 2023 Miss B paid two international cheques totalling \$350 into her account with Halifax. She said that her relative overseas had sent them to her as gifts for her birthday and Christmas.

In January 2024 Halifax told Miss B that its International Service Centre considered the cheques to have been “*fraudulently issued*”. This meant that Halifax would not credit the proceeds of the cheques to Miss B’s account.

Miss B complained to Halifax that it had not attempted to speak with her about the cheques before sending its letter. Her relative also wrote to Halifax saying that the cheques had been issued by a legitimate financial institution and he had sent them to Miss B in good faith. He added that he had sent cheques to her before and she’d deposited them without any problem. They both wanted to know why Halifax had deemed the cheques to be fraudulent. Also, Miss B said her relative was \$350 out of pocket.

Halifax responded to say it had not made any error. It had deemed the “*international cheque*” to be fraudulent and wouldn’t return the “*cheque*” to Miss B. It suggested she contact the issuer (her relative) to arrange another method of payment. Although Miss B had said she’d received these cheques before and they’d gone through correctly, Halifax said it looked at each of transaction on its own merits.

Unhappy with Halifax’s response, Miss B came to us. She said her relative had lost the money for the cheques. Our Investigator looked into the complaint but she didn’t uphold it. Our Investigator thought Halifax had been entitled to refuse to accept the cheques in line with its account terms and conditions and wider responsibilities to prevent financial crime. She thought Halifax had made reasonable attempts to contact Miss B about the cheque. Even if our Investigator had reached different findings, she explained that this Service could not compensate Miss B’s relative for any loss he had suffered.

Miss B asked for an Ombudsman’s review. So her complaint has come to me.

## **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’ve reviewed all the available evidence to see whether Halifax has acted within the required framework and to see if it has treated Miss B fairly. In order to do this, we have to see if Halifax has treated Miss B differently from any other customer in her circumstances. Having done so, I don’t uphold Miss B’s complaint. I’ll explain my reasons.

Financial crime law and Anti-Money Laundering regulations place extensive obligations on regulated firms. All regulated firms must put in place systems and controls to prevent and detect financial crime. In this case Halifax's International Service Centre considered the cheques Miss B had paid into her account were fraudulent.

As it suspected the cheques were fraudulent, I think Halifax was reasonably entitled to refuse to accept them into Miss B's account in line with its terms and conditions and its obligations under financial crime law and regulations. Its terms and conditions say it can refuse a payment *"to protect you or us from fraud or to ensure we don't breach any law or regulation"*. This is the case even though Miss B says she's successfully paid similar cheques into her account in the past.

Halifax has told Miss B and us that it has destroyed the cheques, so it cannot return them to her. I don't think Halifax had to contact her before destroying the cheques. It did not need to return the cheques to her or her relative where it suspected the cheques were fraudulent.

Miss B says she would not have banked fraudulent cheques. I can't see that Halifax has ever suggested that she knew the cheques were fraudulent. But having identified its concerns, Halifax was entitled to take the action it did.

Miss B says she did not receive any call from Halifax, but its records show it did attempt to call her to explain what had happened to the cheques. I think it wrote to her reasonably quickly to explain its position. Its first letter to her of 11 January 2024 was included with her relative's letter to Halifax. As Miss B says, Halifax referred to only one cheque in its final response letter which was unfortunate. But I think it made its position clear to her, and she was able to refer her complaint about both cheques to us.

Our Investigator explained that even if we had upheld Miss B's complaint, we could not compensate her relative for his financial loss. This is correct, and it's because only Miss B is the person who is eligible to bring this complaint to us about her account with Halifax.

I am sorry to read Miss B's comments that she did not consider we had *"represented"* her. But we are independent and impartial and do not represent one party to the complaint. I have carefully considered all the evidence and I don't think Halifax did anything wrong when it refused to accept the cheques into Miss B's account. So this means I don't uphold her complaint. I appreciate this will come as a further disappointment to her.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 28 October 2024.

Amanda Maycock  
**Ombudsman**