

The complaint

Mr H complains that Bank of Scotland plc (trading as Halifax) required him to disclose the reason he wanted to withdraw cash, thereby violating his human and privacy rights.

What happened

Mr H says that when he told Halifax he was planning on making a cash withdrawal in branch for around £8,000 he was called and asked to explain why he wanted the cash. Mr H says that he was told he would not be able to withdraw the money unless he did this, and also provided an invoice for what he was purchasing. As a result, he says, he had to withdraw from making the purchase and he feels his human and privacy rights have been violated.

Halifax says it's normal to ask questions when a transaction is outside a normal spending pattern. It says this is to ensure that neither the bank, nor the customer, are going to become victims of a scam. It referred Mr H to its terms and conditions which outline the circumstances in which a withdrawal can be refused.

Our investigator did not recommend the complaint should be upheld. He found that Halifax was obliged to protect its customers from potential risk and was satisfied it was following its own processes.

Mr H responded to say, in summary, that he was still of the opinion that his human rights and rights to privacy are being violated. He said a person has a right to spend their own money as they wish and, in denying that right, he asserted that Halifax is in breach of various legislative acts. Mr H added that if a company's terms and conditions are contrary to UK legislation, then these terms are invalid and unenforceable.

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.

Firstly, I understand the frustration Mr H experienced when he received the call and was effectively questioned about how he wanted to spend his own money. I can imagine this felt rather intrusive. However, my role is to establish whether Halifax did anything wrong by restricting Mr H's withdrawal as it did.

Halifax's terms and conditions say:

We can refuse to make a payment, cash deposit or cash withdrawal if:

- *we need to make additional security checks such as checking we are dealing with you;*
- *the transaction isn't allowed by our systems or processes. For example, it is over the daily limit for cash machine withdrawals or the type of branch you are using has transaction limits;*
- *the payment or deposit seems unusual and we want to investigate further or speak to you. We may ask you to give us further details about the payment or deposit before we accept it;*

As such, Halifax says, it uses a checklist to ensure any high-value transactions are not going to result in a customer being scammed. For example, it says it sees a lot of romance scams and new driveway scams for which cash, rather than a bank transfer, is preferred. So, I'm satisfied that the processes employed by Halifax are for the protection of its customers and I can't conclude it's wrong to do so.

I acknowledge what Mr H says with regard to the legality of the terms and conditions, but, although this service takes the law into account, we are an informal alternative to the courts and make our decisions based on what we think is fair and reasonable.

In addition, as this service is not the regulator – that is the Financial Conduct Authority (FCA) - we cannot instruct a business to change its processes. So, much as I understand Mr H's frustrations, I do not have the power to tell Halifax to allow him to withdraw large amounts of cash without any attempt to verify the validity of the transaction.

In summary, I'm satisfied that Halifax followed its own processes and I find it was fair and reasonable to do so.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 November 2024.

Amanda Williams
Ombudsman