

## **The complaint**

Mr O complains that Bank of Scotland plc, trading as Halifax, prevented access to his basic needs. Mr O would like compensation for the impact caused to him.

## **What happened**

Mr O is a customer of Halifax.

In February 2023 Mr O's account was restricted due to UK financial sanctions. Halifax advised Mr O to apply to the Office of Financial Sanctions Implementation (OFSI) for a licence to access his funds.

Mr O applied to OFSI for a licence, which was issued to him on 18 August 2023. On the same day Mr O shared the licence with Halifax. The licence directed that Halifax could release Mr O a maximum amount of just under £3,200 a month for his and his dependants basic needs.

Mr O also asked for Halifax to pay his solicitors £12,000. But Halifax didn't allow any payments from his account so he raised a complaint.

Mr O complained to Halifax but they informed him his account was blocked due to a 'processing delay'. Halifax have since confirmed this wasn't the case and Mr O's account was restricted due to UK financial sanctions.

Mr O remained unhappy so brought his complaint to our service. One of our Investigators looked into Mr O's complaint, but Halifax didn't respond to our further requests for information. So, our Investigator concluded that Halifax hadn't acted fairly in blocking Mr O's account. They recommended that Mr O's account should be unblocked, £100 compensation issued and 8% interest from the date of the block to the date of release.

Mr O accepted the outcome but Halifax didn't, and they responded with further information.

Halifax advised that in November 2023 they contacted Mr O's solicitor to explain that for Mr O to access his basic needs they'd need to open a basic bank account for him. Then his basic needs would be transferred from his current account to his basic account on a monthly basis. They also explained that the OFSI licence Mr O had provided was incorrect and would need to be updated before the basic bank account could be set up. Mr O's solicitor's confirmed they agreed to Halifax's proposal for a basic bank account to be set up.

In January 2024 Halifax attempted to make a £12,000 payment to Mr O's solicitor's but weren't successful – I understand that Mr O's now confirmed he doesn't want the payment to be made.

On 19 February 2024 Mr O provided Halifax with a further OFSI licence, however this licence remained invalid, and a further licence – with the correct account details - was issued to Mr O on 27 March 2024.

Halifax offered £150 for delays they'd caused in the setting up of Mr O's basic bank account and in allowing him access to his basic needs. A new Investigator reviewed the evidence from both parties, and thought that Halifax caused delays in allowing Mr O access to his basic needs – but the £150 offer they'd made was fair.

Mr O didn't agree – in summary he highlighted several unreasonable delays stretching from August 2023 to 22 May 2024 when his bank card was activated.

Mr O also argued that there's no legal requirement meaning Halifax had to set up two accounts to enable his basic needs to be paid.

As Mr O didn't agree the case was passed to me to decide.

On reviewing Mr O's case I came to a slightly different conclusion to our Investigator. I thought that Halifax likely caused delays to Mr O in accessing his basic needs but I didn't think awarding compensation in this case was fair or appropriate. I advised Mr O that if he wishes to accept the £150 compensation Halifax previously offered then he'll need to contact them directly.

Halifax responded but didn't indicate whether they accepted my Provisional decision or not. Mr O didn't accept my thoughts. In summary he said:

- Halifax violated his rights to access basic needs, and he was either left with the option not to buy food or break the law.
- He believes that Halifax's actions have broken the law
- There were several unreasonable delays caused by Halifax in the opening his account, in total Halifax delayed the opening by 258 days.
- He believes Halifax's requirement to open a basic bank account to receive his basic needs are a violation of sanctions
- He believes that Halifax's 'illegal actions' should be compensated

As Mr O didn't agree I've reconsidered my conclusion below.

### **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.

In my Provisional decision I said:

*Halifax has a wide variety of legal and regulatory obligations it must follow when providing accounts to its customers. These obligations are ongoing and are not only relevant when an account is opened. In Mr O's case Halifax said it was blocking access to his accounts due to UK financial sanctions and asset freeze requirements. Halifax said they are unable to remove the block without a valid OFSI licence.*

*Sanctions can be very broad and relate to countries, individuals, trade and transactions. Halifax is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor. Sanctions are just one of the many things Halifax must take into account to ensure it's doing what it should. And, if it didn't review accounts and the activity taking place on them, it could risk serious penalties. So,*

*having a sanctions policy or other policies to mitigate against potential risks isn't by itself wrong.*

*Mr O's complaint here isn't about Halifax's decision to block access to his account in February 2023 – instead he accepts the need to obtain an OFSI licence, but believes Halifax should have notified him more quickly that the licences provided weren't accurate, told his Solicitor what was needed sooner and allowed him to access his basic needs via his current account, rather than delaying things further with the opening of a basic bank account.*

*I'm pleased to see that Mr O now has access to his monthly basic needs via a basic bank account opened by Halifax. I've noted that Mr O's argued that there's no legal requirement for Halifax to open a basic bank account for him to access his basic needs.*

*I've thought about what Mr O's said here. I agree with Mr O that there is no specific legal requirement for Halifax to set up a basic bank account to enable him to access his basic needs. However, Halifax is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor. Having a policy which states a basic bank account needs to be opened to allow a customer access to their basic needs mitigates against these potential risks. And I'm satisfied it's a reasonable requirement to have.*

*Halifax hasn't provided sufficient evidence to show it didn't cause delays in Mr O gaining access to his basic needs. These delays include from August 2023, when they were provided with Mr O's first OFSI licence, to November 2023 when they contacted Mr O's solicitors. And from March 2024, when Halifax were provided with an OFSI licence with the correct details, to May 2024 when Mr O was given access to his basic needs. But it doesn't follow that I must award Mr O compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Mr O's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.*

*After considering what Mr O has said and Halifax's actions, I don't find awarding Mr O compensation would be fair or appropriate. I understand Mr O would naturally want to know the information I have weighted in order to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.*

*DISP 3.5.9R states:*

*'The ombudsman may:*

*(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;*

*(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;*

*...'*

*Accordingly, I have accepted information in confidence which I am not disclosing to Mr O. And the description of that information is that it's of a nature which justifies some of Halifax's delays, and which has led me to provisionally decide that awarding Mr O compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.*

*So, I'm not requiring Halifax to compensate Mr O for financial or other losses he may have experienced as a result of a potential delay in accessing his basic needs.*

*Halifax have made an offer of £150 compensation to Mr O for the delays caused in allowing him access to his basic needs. If Mr O would like to accept this, he'll need to contact Halifax directly.*

I understand that Mr O is very passionate about this complaint – and he's reiterated several of his key points in response to my Provisional decision. Including that Halifax caused significant delays throughout the process, acted illegally and put him and his family at the risk of doing so. However, I'm satisfied that I considered all of these arguments in my Provisional decision – and for this reason I won't be changing the conclusion I reached.

Although I've not seen sufficient evidence from Halifax to show they didn't cause delays in allowing Mr O access to his basic needs after considering what Mr O has said and Halifax's actions, I don't find awarding Mr O compensation would be fair or appropriate.

If Mr O wishes to accept the offer of £150 compensation from Halifax he'll need to contact them directly.

### **My decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 3 January 2025

Jeff Burch  
**Ombudsman**