

## **The complaint**

Mrs A is unhappy Bank of Scotland plc trading as Halifax blocked her online banking and later invoked the Banking Protocol, after they had concerns about a transfer she was trying to make.

## **What happened**

Mrs A was attempting to transfer money from her Halifax account to another account in her name, with a third-party bank. However, Halifax's security system flagged the payments, and she was asked to contact the bank. After speaking with Halifax on the phone, they asked her to go to a branch with identification to continue with the transaction. In the meantime, her online banking was suspended.

Mrs A tells us she was unhappy because:

- She was at the branch for a number of hours and got a parking ticket.
- After speaking with Halifax's fraud team, the transfer still wasn't completed, and her account remained blocked.
- The Police visited her at home to talk to her about the transaction, which caused her distress as the bank hadn't told her this would happen.
- It took the branch several more days to unblock her account, after the police said they were satisfied with the information she'd provided about the payment.

Mrs A raised a complaint with Halifax, but they didn't uphold it. They apologised for any distress or inconvenience caused, but explained they had a duty of care to protect Mrs A's account from fraudulent activity and scams.

I reviewed the complaint and issued a provisional decision. I've reproduced the findings from my provisional decision below.

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*My decision focuses on what I consider to be the key points of the complaint.*

*I don't doubt that this would have been a frustrating and upsetting situation for Mrs A. She's explained that she felt like she was being treated as a criminal and was embarrassed due to Halifax's actions. But I'm satisfied that Halifax were following a fair process and their only intention was to make sure that Mrs A's money was safe, and they were carrying out appropriate checks to ensure she wasn't being scammed.*

*To be clear, I think it was fair for Halifax to block the transactions Mrs A was trying to make. They were for large amounts and this type of payment was unusual given the way her account was usually managed. And Halifax have a duty of care to protect their customers from fraud and scams.*

However, I don't believe Halifax fairly explained the process of what was happening, and this ultimately left her with a poor customer experience.

- *Having listened to the call on 28 November 2023, where Mrs A phoned to discuss the blocked transactions with Halifax, I'm satisfied she was able to verify herself on the call. This and the bank's notes indicate to me that there was no ongoing concern that the caller wasn't, genuinely, Mrs A. But the bank still needed to be assured that Mrs A wasn't falling victim to a scam which is why they, fairly, went on to ask Mrs A why she was making the transfer.*
- *I think there were a number of things that reasonably gave Halifax cause for concern when asking Mrs A the reasons behind the transaction. Mrs A was transferring to an account that she hadn't previously sent money to, Halifax said they were unable to verify the payee details due to how the payee name had been set out. And when asked where specific funds had come from, Mrs A wasn't able to correctly identify the source of the funds.*
- *I think Halifax could have been clearer about what they suspected was happening here – specifically they could have explained to Mrs A what type of scam they thought was occurring. It's important that banks do this because customers will often be willing to share more, fuller detail about their blocked transactions when they understand what the bank is worried about and why their money might be at risk. I do note the adviser explained they wanted to make sure Mrs A's money was safe and that any bank statements, or debit cards she had for her other bank account that she could take into branch with her may speed up the process and make the bank less worried about the transaction. But he didn't explain that it might also be helpful to take and share details of the property purchase that was the reason she gave for wanting the transfer. However, given what happened later on – which I'll talk about more below – I don't think it's likely Mrs A would have given the adviser the amount of detail he needed. And overall, I think matters would have played out in much the same way, with Mrs A having to visit branch and the Banking Protocol being invoked.*
- *Halifax have provided limited notes about the conversation that took place when Mrs A was in branch, but it appears that after the branch staff verified her identity, she ended up speaking to Halifax's fraud team who remained dissatisfied with the explanation behind the transfer. Her explanation for the transfer had changed from paying a solicitor in relation to a property purchase to wanting the money to buy euros. And ultimately there were concerns as Mrs A explained she hadn't yet seen the property she was intending to buy and had no relevant paperwork. So, again, I can appreciate why Halifax believed Mrs A was at risk of a scam and so invoked the Banking Protocol. But I also have concerns that Mrs A was told to go to branch to prove her identity when this was not something the first adviser had any concerns about – she successfully answered all of his security-related questions. And the branch staff don't seem to have taken any practical steps to educate Mrs A about the scam the bank thought she was falling victim to or made any further enquiries about the reason for the payment. Instead, Mrs A simply ended up speaking again, on the phone, to the fraud team. So, it's not entirely clear to me what the purpose was of her visiting the branch on that first occasion.*
- *Mrs A explained she was in branch for a couple of hours and incurred a parking ticket. Halifax have said they were waiting for the police to attend branch but were later told they were unable to attend and so the police would visit Mrs A at home. Whilst I appreciate Mrs A's frustration at having to wait in branch, I can't blame Halifax for any delays in waiting for the police to attend, and I think it would have been reasonable for Mrs A to extend her parking if necessary.*
- *I recognise Mrs A was very distressed when the police arrived at her home to ask her*

*further questions about the transaction. Halifax have said it isn't part of their process to tell a customer that the police will be in touch. They haven't explained the reasoning behind this. But I assume this may be because if a scammer is influencing a consumer about what to say – then this can make it difficult, if not impossible, for the police to uncover the scam. However, while I can see why Halifax chose not to tell Mrs A about the upcoming police visit, what this meant was that she was left not understanding what the next steps were and/or what still needed to be decided. That meant Mrs A felt the need to call Halifax a number of times in the subsequent days, to try and get answers to what was going on and try and get an update following the police's visit. Each call, she was simply advised to attend branch but still couldn't get any clear answers ultimately because Halifax hadn't yet heard back from the police. Understandably, I can appreciate why Mrs A would have been confused as to what was going on and what the next steps were. It wasn't until the call on 4 December 2023 that I'm satisfied Mrs A was given a detailed explanation as to why the bank had concerns and why the Banking Protocol had been invoked.*

- *On the 4 December 2023 call, after Mrs A said she still didn't understand what was going on and why the transfer had been blocked, the adviser more fully explained what type of scam Halifax were concerned about and that she hadn't explained sufficiently about the property she intended to buy. The adviser said that any documentation Mrs A may have about the property that she could provide to Halifax may alleviate the bank's concern. But Mrs A said on this call that she didn't wish to do so and that it was her business, not Halifax's. It was Mrs A's prerogative not to share more details about the property purchase, but I remain satisfied that the bank had reasonable suspicions that a scam was taking place given the information that Mrs A had provided. And given Mrs A's refusal to provide further detail even after the bank had helped her understand their concerns, on balance, I don't think she would have provided anything further or different if the bank had been as thorough in their explanations at an earlier stage.*
- *Mrs A attended branch on 7 December 2023 where her account was unblocked – seemingly after the police had told Halifax it was satisfied she wasn't falling victim to a scam. And I'm glad to see she was able to transfer £9,000 to the currency business directly, as well as sending money to her other third-party bank. I'm also pleased there has been no suggestion that Mrs A did actually fall victim to a scam.*

*Taking the above into account, whilst I appreciate this was an upsetting experience for Mrs A – I'm satisfied Halifax acted fairly and reasonably when it blocked the transfer and involved the Banking Protocol.*

*But I also think Halifax's failure to properly explain their concerns and their process of what was happening to Mrs A clearly caused her unnecessary distress. And I think £150 compensation recognises this impact and represents fair compensation given the circumstances of this complaint.*

Halifax responded to my provisional decision, agreeing with the recommendations.

Mrs A responded and whilst pleased that her complaint had been upheld in part, she felt there were still several unresolved issues. Overall, she remains unhappy and thinks £150 compensation is insufficient given the level of stress caused and the time she had to spend resolving the matter. She said, in summary:

- Whilst she appreciates that Halifax have a duty of care and she felt the treatment on the phone was reasonable – she remains unhappy with how she was treated in branch and that she was treated like a criminal

- She didn't receive an apology or explanation from the branch staff, nor was she advised of police involvement. She was told they were waiting for the fraud department to call back which left her unable to go outside to extend her parking or pick up her daughter from school.
- Halifax didn't conduct any investigation into the third-party business she was trying to purchase euros from, which could have alleviated their concerns.
- She disagreed that she wasn't able to identify where the funds had come from – most of them came from her Halifax account and that's what she told the bank. And she disagreed that her explanation for the funds had not been consistent throughout – she told the bank she needed to buy euros to pay the solicitor for a property purchase.
- Her call back requests from the branch were ignored and her number was blocked to the branch which made communication difficult. She was unhappy she was directed to contact the police to enquire when they would speak further with the branch.
- She was made to look like a scammer to the third-party company for not paying them on time, and nearly received a penalty for delayed payment.

### **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 carefully considered what Mrs A said in response to my provisional decision, but she hasn't said anything significantly different to what she's told us previously. So, I'm not persuaded I should depart from the conclusions set out in my provisional decision. I appreciate this will be disappointing for Mrs A, but I'll explain my reasoning why.

As Mrs A has recognised, Halifax have a duty of care to protect all their customers from fraud and scams. I do appreciate Mrs A's strength of feeling on this matter and how she felt she was treated by Halifax, but I've already explained why, overall, I thought the steps they took were appropriate in the circumstances.

Mrs A says she feels her recollection of events remained consistent throughout her discussions with the bank, but I disagree. During the initial call she did not explain that the money was going towards buying euros to pay for the necessary solicitor – she indicated she was paying money from her sterling account direct to the solicitor. So, I can understand why Halifax may have then had concerns when the explanation was slightly different in branch. This tied in with the fact she was sending money to an account that she hadn't transferred to before and that she said she hadn't seen the property she was purchasing; I think the matters as a whole reasonably gave Halifax cause for concern that she may be falling victim to a scam.

Mrs A has outlined that the source of the money into her account had come from her Halifax account, but this was not the answer she gave the advisor on the initial call – she detailed a third-party account as the source of the £5,000 and £1,000 payments into her account.

I appreciate Mrs A's concern that she wasn't informed of the police's involvement. But as I outlined in my provisional decision, I can understand why Halifax may choose not to tell their customers about this when invoking the Banking Protocol. Unfortunately, the police were unable to attend branch sooner – which I can't reasonably blame Halifax for. I also can't agree that it was unreasonable for Halifax to wait to hear from the police directly following their visit to Mrs A. Or that it was unreasonable to suggest Mrs A ask the police directly for an update as she would likely be best placed to know who exactly had visited her.

I'm sorry to hear that Mrs A was unable to pick up her daughter from school as well as being unable to extend her parking. But as she's also highlighted, she lost track of time in the branch. I don't doubt this was a stressful experience for Mrs A, but I think it reasonable to expect her to have let the bank know if she needed to leave the branch at any point.

I have also taken on board Mrs A's comments about the delay in paying the third-party company for the euros. But she's provided no evidence to show she did incur a penalty and her statements show she did, ultimately pay them directly from her Halifax account so I can only conclude that the third party remained happy to do business with her.

In summary, I remain satisfied Halifax acted fairly and reasonably when blocking Mrs A's transactions and invoking the Banking Protocol. However, I recognise that the customer service could have been better. And whilst I've not seen anything to demonstrate that Mrs A's number was blocked by the branch – I do accept that she didn't receive a call back as requested and I think Halifax could have done more to explain to Mrs A about their concerns around fraud and scams to her sooner. So, I've taken this all into account when considering appropriate compensation and how I think this complaint should fairly be resolved.

### **My final decision**

My final decision is that Bank of Scotland plc trading as Halifax should pay Mrs A £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 16 January 2025.

Laura Davies  
**Ombudsman**