

The complaint

Ms A complains that Bank of Scotland plc trading as Halifax flagged a payment she was trying to make as requiring additional checks. She was asked to attend the branch and subsequently the police were called, and she was caused distress and inconvenience.

What happened

On 20 July 2024 Ms A tried to make payment to her daughter's mortgage account (also with Halifax), but was asked to call the helpline. Ms A hired a professional interpreter as English is not her first language and the interpreter introduced himself and provided his identification number, but she said Halifax wasn't interested, and she was told to go to the branch.

Ms A visited the branch with the interpreter on 26 July and said they were there from 11.00 to 15.45, but were unable to resolve the situation. Ms A said Halifax then requested that she bring her daughter to the branch, which she described as 'totally shocking'. But her daughter attended with her children, which proved to be very time consuming and difficult.

Halifax put a block on the account and wanted to speak to the police and asked Ms A to come back on Monday. Ms A said her daughter fell ill and needed treatment which is why she complained. After a police procedure on Monday Ms A said they were finished at 10.00. She said Halifax wasn't interested in any of the paperwork she had brought with her.

Ms A said Halifax should pay her interpreter's fee and parking fee and if it didn't, she would add other charges and lost wages. She asked under what law Halifax said her daughter should come to the branch. Ms A said there was no response from Halifax, so she called, and Halifax said it had responded. As Ms A still hadn't received this, she completed an online subject access request to Halifax, but said its website showed, 'error has occurred'.

Ms A said Halifax blocked her account again and she called and got this resolved. She said on this occasion Halifax checked the interpreter's details. Ms A asked for repayment of the £790 interpreter's fee and £555 compensation for distress and inconvenience.

Halifax said it flagged Ms A's payment for a further check and needed her to confirm it was genuine. It said it may decline payments that seem out of the ordinary, and its systems had worked as normal. Halifax said it has an interpreter service for customer calls, other than for fraud so it asked her to visit a branch. It said it was Ms A's choice to hire an interpreter and it wouldn't cover the cost and she could have come to the branch at any time suitable to her.

Halifax said the terms of the account advise of its duty of care to customers and its protocols sometimes require it to gather further information. But it said it hadn't kept Ms A in branch for as long as she had said, its branch advised that she left and came back a few hours later. Halifax said its branch staff and fraud team had some concerns about the transaction and so asked for her daughter to attend, and when they still had concerns, the police were called.

Halifax confirmed to Ms A that it had removed the block, and her payment was made on 29 July 2024. Halifax apologised for any distress caused to Ms A but said it hadn't made any

errors. Halifax said it had sent its final response to Ms A on 9 August 2024 and again by email. Halifax offered to submit a subject access request on Ms A's behalf.

Ms A wasn't satisfied with this response and referred her complaint to our service. She said she didn't know what more she could have done to make this procedure less painful.

Our investigator didn't recommend the complaint be upheld. She said Halifax sent Ms A its response on 9 August 2024, but in any event complaint handling isn't within our jurisdiction. And the complainant is Ms A so we can't consider what happened to her daughter.

The investigator said banks have a duty of care to their customers, and that any unusual or larger payments will automatically be flagged by their fraud systems. She said Halifax hadn't acted unfairly by checking Ms A's payment or in asking her to go to a branch. And so, it wouldn't be fair to tell Halifax to pay Ms A's fees, as she chose to use a specific translator.

The investigator set out some inconsistencies between what Ms A and her interpreter had said about the checking of her payment. She said she could understand why Halifax didn't release the payment before speaking to Ms A's daughter to confirm her details. She said this was a fair request and was intended to protect Ms A and her funds.

Ms A said the investigator reached a very strange outcome and she thought an unbiased party would find that Halifax handled the payment wrongly. Ms A said Halifax insisted on her daughter coming to the branch, 'but at some point realised it was too late in the day and switched their brain on and eased their stupidity'. She asked why previous verification and documents Halifax had seen weren't sufficient. She asked for details of the 'Duty of Care'.

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.

Ms A has brought a separate complaint concerning Halifax's response to her subject access request – I have not addressed that here. The investigator has pointed out that Ms A is the complainant here and so we can't consider the impact of what has happened to anyone else.

Ms A wanted to make a large payment to her family and brought some paperwork into Halifax's branch to explain things. But Halifax flagged the payment for security checks and requested further information. I was sorry to learn that what might have been a straightforward payment transaction has turned into a prolonged and painful experience for Ms A. Part of my role is to determine whether what took place was reasonable and whether Halifax followed the process correctly.

In assessing whether Halifax acted fairly, I've taken into account the relevant rules and guidelines along with good industry practice. There are general principles from the Financial Conduct Authority's Consumer Duty that say a bank should conduct its business with due skill, care and diligence and pay regard to the interests of its customers and treat them fairly.

As a matter of good industry practice, I'd expect Halifax to be monitoring accounts and payments to identify and prevent transactions that could involve fraud. Halifax explained its approach to Ms A: *'We create fraud prevention measures to help keep you and your money safe checking all payments, this does mean that we might decline some that are genuine, even regular payments. It's never our intention to make the interactions we have with our customers difficult or complicated and we don't mean to cause any inconvenience or upset'*.

Halifax advised that Ms A's payment was stopped due to it being flagged by its automatic fraud systems. It said that it wasn't satisfied with the information provided by Ms A and her interpreter on their initial branch visit, which it said was inconsistent. This led to Halifax's request for the recipient of the payment, Ms A's daughter, to attend the branch.

Halifax said it was near branch closing time when it decided to involve the police, so it advised this could be done the next day at another branch or the following Monday at the same branch. Halifax said Ms A returned on Monday with the interpreter, who described himself as a 'very close family friend' and had become very angry at the delay in making the payment. Halifax updated the police who used their own interpreter to speak with both of them separately. Following this, Halifax said the police had no concerns and the block was lifted, and the payment made. I'm pleased Ms A's visit on this day was resolved quickly.

But by this point Ms A's interpreter said that she felt harassed by Halifax and further described her treatment as 'disgraceful'. She found Halifax's request that her daughter attend the branch to be 'totally shocking' and probably illegal.

Banks are subject to regulations that require them to prevent fraud on their systems and to protect their customers from fraud. The Financial Conduct Authority and the Payment Systems Regulator give banks authority to delay and examine payments and the bank can be liable for a customer's loss through fraud even where the customer has authorised the transaction. This means that banks are protecting customers *and* themselves when they take a risk-based approach to transactions.

All banks have processes in place similar to Halifax's to ensure customers and themselves are protected from fraud and scams. They are not required to disclose the details of their anti-fraud measures as this might compromise their controls. However, I can see that the actions Halifax took on Ms A's payment are provided for within the terms and conditions of the account agreement.

Banks question thousands of payment transactions every day and customers are frequently required to verify these, sometimes in person as with Ms A and her daughter. Halifax's internal guidance says if a discussion about potential fraud is needed, the customer should go to a branch and, if necessary, bring a family member or a trusted person with them who can help with translation. This isn't an illegal request or even uncommon. I don't know how many times Halifax's and other banks' anti-fraud measures will have prevented fraudsters from benefitting from customer accounts, but I'm sure that millions of pounds have been diverted from the alarming range of fraudulent enterprises by the type of checks put to Ms A's payment.

Ms A thinks Halifax ignored her daughter's mortgage papers and her interpreter's details over the phone and asked for a huge amount of irrelevant information and then said go to the branch. But it was Halifax carrying out the checks and so it should do so according to the anti-fraud process that it sets for these circumstances. In other words, it isn't for the customer to tell Halifax what it should or shouldn't be satisfied with. Halifax refusing to take a mortgage document into account is its decision and likely to be because this didn't verify the payment recipient. Seeing the recipient in person satisfied Halifax's verification requirement as it was entitled to do under the terms of the account agreement with Ms A.

Halifax said that customers who can't speak English can use its approved interpreters with 'Clear Voice' and that no other interpreters are permitted to speak on a customer's behalf. I think this is a reasonable approach to maintaining accurate and secure communications and I think it was fair for Halifax to decline to meet Ms A's interpreter's fees.

Ms A says she spent four hours in total in branch. Halifax's branch staff dispute this and say Ms A made two separate trips to the branch that day. I can't tell which of these is correct, but I think it was reasonable for Halifax to request Ms A's attendance at its branch. I am also satisfied that Halifax contacted Ms A correctly by letter and then email with its response to her complaint.

From what I have seen Halifax's actions were carried out in response to its automatic fraud detection systems identifying a large payment out with Ms A's normal banking activity. Halifax has acted in accordance with the account agreement and the regulations it must follow, and I haven't found any errors in its validation of Ms A's payment. I think that Halifax has treated Ms A fairly and reasonably and it follows that I haven't seen anything that warrants a payment for the distress and inconvenience that Ms A has described.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 2 April 2025.

Andrew Fraser
Ombudsman