

The complaint

Ms H complains that Bank of Scotland plc trading as Halifax has allowed an unknown third-party or staff member to steal her identity and tamper with her account. She has raised a disputed transaction and is unhappy at the way Halifax have treated her after she raised this complaint.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Our investigator felt the complaint should be upheld in part. He said that Halifax had reasonably declined Ms H's disputed transaction claim and had fairly offered £250 for the distress and inconvenience it had caused due to the delays in its investigation. He said that the discrepancy with Ms H's title was likely caused by an admin error. However, he felt that Halifax should also offer Ms H a further £250 for the way one of its complaints managers spoke about Ms H during a recorded telephone conversation. He added that any further evidence that Ms H would like the Halifax to consider would first of all need to be reviewed by Halifax as a new complaint.

Halifax agreed to pay a further £250 to Ms H and with the rest of the investigator's opinion. Ms H disagreed and asked for an Ombudsman's review. She said that there is ongoing tampering with her account – most likely for fraudulent purposes. Ms H said that she didn't accept the further offer of £250 because it failed to address the main issue here in relation to the tampering with her account.

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.

Having done so I'm upholding the complaint in part. I'll explain why below.

Firstly, Ms H has tried to raise what she believes to be new evidence of account tampering that hasn't been considered by Halifax. To be clear, I can only consider evidence that Halifax has already had the required time to review and respond to. It's only fair that any new evidence that Ms H would like Halifax to consider should first of all be sent to Halifax's complaint's department so that it can issue a final response on that new evidence. As a result, I'll only be making my findings here on the evidence that has already been considered by Halifax and then seen by this service.

Ms H has repeatedly said that the main part of her complaint is that she believes Halifax or another third-party are tampering and attempting to access her account for most likely fraudulent purposes. So, I've considered all the of the evidence that's been reviewed by Halifax and then the investigator.

Having done so, I'm not satisfied that a third-party or a Halifax staff member are more than likely deliberately tampering with Ms H's account.

In September 2022, Ms H has said that she didn't make a disputed payment with a well-known retailer. So, she went into a branch to report the fraud and a new debit card was issued to her. I note Ms H has pointed to the fact that her title was changed on her account as evidence of this account tampering in September 2022. But Halifax has said that her contact details were changed due to the new debit card being requested following her disputed payment and the title change was an administrative error on its part at the time.

I can see Ms H called a few weeks later to say that hackers had hacked her account and changed her title – but I haven't seen any persuasive evidence of a third-party hacking her account. I think it's also worth noting here that when Halifax offered to change the title back, following Ms H's complaint, she refused this request. From the notes on her account and the evidence I've seen from Halifax, I'm satisfied that its version of events is the more persuasive here and fits with the timeline of customer notes from Ms H's account.

In relation to the disputed payment that Ms H raised, I don't think I can reasonably ask Halifax to refund that. The payment was made by the retailer who already had her card details. It was also made from the same device registered and IP address linked to the account that has made genuine transactions in 2024. So, I don't think I can reasonably say that this payment was made by a third-party without Ms H's knowledge or permission.

Ms H is unhappy that she was told by separate bank managers that she wasn't registered for online banking and that her account could be closed if she wished. Ms H has said that it could be that some of those colleagues could be involved in fraud and identity theft on her complaint.

Halifax has confirmed that there's not a duplication of her account on its system, she's been registered for online banking since 2017 and there's no fraud on her account. Halifax has said that it would review Ms H's allegations in relation to the branch manager but that would be an internal investigation into one of the managers and what they told Ms H in branch which it can't share with Ms H. I don't think that's an unreasonable response in the circumstances as Halifax can't disclose the details of any personal investigation it conducts into members of staff. Halifax has confirmed to me that an investigation was conducted with feedback given in relation to what Ms H was told in the branch and I can't ask it to reasonably provide any further details than that.

Ms H has provided a screenshot of a payment platform showing that an account was closed for card ending 4536. However, on the same screen it says that the card it's referring to expired in October 2022. And the screenshot shows transactions from May to July 2023. I've checked the account notes and there's no mention within these of the account being closed or an internal e-mail or request for her account to be closed either by the Head Office or anyone else at Halifax. So, I don't agree that her account was more likely than not closed or marked for closing here.

When Ms H was speaking with a complaints manager she recorded the telephone conversation. At the end of the call, when the Halifax staff member thought the call had ended, they made some personal comments about Ms H which she heard. I've listened to the call and it's clear that the comments made by the manager were unprofessional and deeply distressing to hear for Ms H. Hearing this would've caused understandable additional distress and inconvenience on top of the other errors that have been made here.

As a result of the above, I'm not satisfied that Ms H has been the victim of Identity Theft on her account from the evidence that's been presented to me. I'm also satisfied that there's

been no fraudulent actions on her account. What I do think has happened is that Halifax has provided poor service and made a number of mistakes when speaking to and corresponding with Ms H. I also think she has suffered distress and inconvenience by the delays Halifax caused and the comments the complaints manager made about her personally.

Overall, I think the total offer of £500 is fair and reasonable for the distress and inconvenience Ms H has experienced here. Halifax has already paid £250 of that award so it now needs to make a further £250 payment to Ms H to make the total award £500.

My final decision

My final decision is that I uphold this complaint in part. Bank of Scotland plc trading as Halifax should pay Ms H a further £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 7 April 2025.

Mark Dobson
Ombudsman