DRN-5473554

The complaint

Mr K has complained that Bank of Scotland plc (trading as Halifax) won't refund transactions which he says the account's joint party made without his knowledge.

What happened

This complaint surrounds a joint Halifax savings account which was opened in 2010. The joint parties – Mr and Mrs K – both had access to the account and either could use it without having to ask the other party. It was not two to sign.

In 2024, Mrs K unfortunately passed away. Following this, Mr K complained to Halifax. He said that every cash withdrawal made between 2011 and 2017 was made by the late Mrs K without his knowledge. She handled the finances, so he didn't look at the account and didn't know what was happening. He was unhappy that the balance was lower than he expected. He felt Halifax should've notified him about the late Mrs K's activity at the time. He wants Halifax to reimburse the withdrawals to him.

Our Investigator looked into things independently and didn't uphold the complaint. Mr K wanted an ombudsman's final decision, so the complaint's been passed to me to decide.

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.

First, I must point out that under the relevant regulations, Mr K had 13 months from the date of each payment to report them to Halifax. So, strictly speaking, Halifax didn't have to investigate any disputed payments that were raised more than 13 months after the fact. And Mr K didn't raise this until much longer than 13 months after the withdrawals. There don't appear to have been exceptional circumstances which prevented Mr K from reporting these payments earlier. While he may well have left it to Mrs K to handle the finances, he still had full access to the account, and I'm afraid he did have some responsibility to keep track of his own account. So it looks like Mr K raised this matter too late.

Even if I were to set that aside, I'm afraid I still couldn't fairly tell Halifax to reimburse these withdrawals. Broadly speaking, Halifax could be liable for unauthorised payments. But there's no dispute that Mrs K authorised these payments. And she was an accountholder. I can see that this account was joint, where either joint party could use it. It was not two to sign and the joint parties didn't have to request each other's permission to make payments. That's both normal and common for this kind of account. So as far as I can see, these withdrawals were authorised, by one of the joint accountholders, in the normal way, in line with the account's terms. As such, Halifax wouldn't be liable to refund any as unauthorised.

Mr K suggested that Halifax should've notified him about Mrs K's withdrawals. But there was no requirement for them to do so. The point of this kind of joint account was for the joint parties to both be able to use it fully in the way they saw fit. Here, I understand Mr K chose to leave the finances up to Mrs K, and that would be his choice. That would mean that, even if he chose not to look at the account and so didn't know what exact payments she was making, he still knew Mrs K was running the account and she had his consent to do so. It wasn't for Halifax to get in between them there. The account and its statements were fully available to Mr K to check whenever he wanted. And, as I mentioned, I'm afraid Mr K did have a responsibility to keep track of his own accounts.

I can't see that Halifax had any sufficient reason to flag this account or intervene in its usage. The starting position in law is that banks are expected to process payments which a customer authorises them to make. Then, under the Payment Services Regulations, the accountholders are generally responsible for those authorised payments. And again, here there's no dispute that these payments were authorised by Mrs K.

We might expect a bank to intervene or restrict a joint account's transactions if, for example, they're told that the joint parties are in a dispute with each other. But, looking at this account's records, there's no indication that Halifax were ever told about any dispute, nor any vulnerability, nor anything being wrong in general until years after the withdrawals finished; and Mr K's not said he told them anything at the time either. There's nothing about the transactions themselves which look like they would've required intervention – they seem to have been this account's regular activity, authorised by an accountholder in line with the terms, for amounts which were not so large as to have been of particular concern, spread out over the course of over six years, with no clear signs of trouble. Mr K suggested that his account at another separate bank would've reflected his normal activity; but Halifax couldn't see his activity in his account at that other bank. And it's quite normal for a customer to eventually use their savings, rather than hold onto them forever, even if they've been saving for a long time.

I can't see that Halifax had sufficient reason to intervene here. And it's now too late to look further into the payments, given that the staff present wouldn't reasonably recall much after about a decade, it's well passed the time limit involved, and Mrs K has unfortunately passed away so we're unable to question the most important witness.

Then, even if I thought Halifax had been required to intervene – which I don't – I'd only be able to tell Halifax to reimburse losses if I could see that Mr K suffered a loss. But here, the withdrawals were made in-line with the account's mandate and it's not possible to know what they were spent on. For all I know, Mrs K spent them on necessities or luxuries which benefitted Mr K as well, or spent them on items Mr K then owned or inherited, and so on. It's notable that Mr K had said the savings were for retirement, and the withdrawals started around the time he reached retirement age. If Mrs K was in charge of the finances, this may have just been part of how she was funding the retirement. Ultimately, I have no reasonable basis on which to conclude that Mr K suffered any particular loss here.

In summary, this matter was reported after the relevant deadline. Even if I set that aside, there's no dispute the payments were authorised. And they were authorised in line with the account's mandate, so Mr and Mrs K would be responsible for them rather than Halifax. Even if I set that aside, Halifax were not required to notify Mr K about Mrs K's activity and I can't see that they had any sufficient reason to intervene at the time. And even if I set that aside, I have nothing to substantiate that Mr K suffered any particular loss due to these withdrawals.

So while I understand that Mr K was hoping to have a higher balance, and I understand that this is not the outcome he was hoping for, I cannot fairly or reasonably tell Halifax to reimburse these withdrawals.

My final decision

For the reasons I’ve explained, I don’t uphold this complaint.

This final decision marks the end of our service’s consideration of the case.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr K to accept or reject my decision before 4 August 2025.

Adam Charles
Ombudsman