

The complaint

Ms A complains Bank of Scotland plc trading as Halifax won't refund transactions made from an account in her name which she says she didn't make or authorise.

What happened

In June 2022, a current account was opened in Ms A's name with Halifax. Ms A says this was done without her permission by her former husband. Her salary was being paid into the account, but Ms A's ex-husband controlled it completely and Ms A did not have access to the account or any money. Ms A also said she was experiencing domestic, as well as economic, abuse during her relationship with her ex-husband.

In August 2023, Ms A says her ex-husband applied for a loan in her name, again without her permission. This was granted and credited the Halifax account in Ms A's name on 8 August 2023. The loan is subject to a separate complaint.

In March 2024, having then left the relationship, Ms A reported matters to Halifax. She said she hadn't made any of the transactions on the account but accepted that some were made for her benefit. Halifax calculated the disputed amount to be £112,676 – which was the total amount of faster payments made from the account in Ms A's name to her former husband and included the £10,000 loan.

Halifax agreed, given the circumstances Ms A had described regarding her relationship, that it would refund some of the transactions. It said Ms A's ex-husband had paid £14,500 into the account of his own money, so this brought the total amount in dispute to £98,176. It then said, as Ms A had told the bank she'd not been in control of any account in her name since 2018, she hadn't made any payments for living expenses for seven years. So Halifax worked out seven years of living expenses based on some average figures and also deducted this from the disputed amount. Halifax said Ms A would always have had those expenses so it wasn't fair to refund her those amounts. Halifax also debited the value of the loan, £10,000 from the refund, as this was money she wouldn't have had. In the end, Halifax refunded Ms A £28,284.

Ms A wasn't happy with this so she referred her complaint to our service.

An Investigator considered the circumstances, she said she didn't think Ms A had opened the current account and she didn't think Halifax had calculated a fair refund. The Investigator said the total amount of Ms A's salary paid into the account should be the disputed amount – £75,250.27. The Investigator used some information from the Office of National Statistics to work out Ms A's living expenses during the period in dispute. Which was the period of the Halifax account being opened in June 2022, to when Ms A gained control of it, in March 2024. She didn't think it was fair to say Ms A should have seven years of expenses deducted since she could see priority bills had been paid from Ms A's other account and the period in dispute was only June 2022 to March 2024. In total, she recommended Halifax refund Ms A a further £22,213.87.

Ms A accepted our Investigator's view. Halifax did not. It said it felt it had already given Ms A a fair refund.

As Halifax didn't agree, 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.

I firstly want to acknowledge the information Ms A has given us about the circumstances of her relationship with her former husband. I'm sorry to hear all she's been through and I want to reassure her I've taken all that she's shared with us and Halifax into account in reaching my decision. I can appreciate it won't have been easy for Ms A to share this.

Under the Payment Services Regulations 2017 ("PSRs"), generally, Halifax can hold Ms A liable for the disputed transactions if the evidence suggests that she made or authorised the transactions.

In this case, as well as saying she didn't make or authorise the transactions on the account, Ms A also says she did not open the account. Halifax didn't think the account had been opened fraudulently. But, like our Investigator, I think it more likely than not was. Ms A has said her former husband controlled all of her accounts, he would have had access to the necessary information to make the application and the contact details on the application form aren't Ms A's. We also know when Ms A discovered the account, the device using online banking changed which supports Ms A's account of the events that have taken place.

Given that I'm satisfied Ms A likely didn't open the account and all parties appear to accept that Ms A had no access to it, I also find Ms A didn't authorise the payments made on it. Nor do I find there's any other basis upon which Ms A can be held liable for them. Ms A does accept that some of those payments were made for her benefit, i.e. a mobile phone bill and fees to a professional body linked to Ms A's work, among others. So those aren't included in the disputed transactions. The transactions Ms A is mostly concerned about are faster payments her ex-husband made to himself. Under the PSRs, the starting point would be that Halifax must refund those unauthorised faster payments made from the account.

Having reviewed the statements though, there are lots of faster payments in and out. And it's not entirely clear where that money has come from. So, like our Investigator, in the circumstances of this particular case I don't think adding up the disputed transactions is a fair way of calculating the loss. Instead, I find it fairest to take the total of Ms A's salary paid into the account during the disputed period as the starting point, since we can be sure this was money she was entitled to. This is a total of £75,250.27. I also don't agree with Halifax that it's fair to take into account anything that happened prior to this account being opened in June 2022.

Halifax has argued that because Ms A has said her ex-husband controlled her finances since 2018, she hasn't therefore paid any living expenses in that time, so it's fair to reduce any refund by seven years of approximate living expenses. But I don't agree. This complaint concerns the fraudulent opening, and then disputed use of, the Halifax current account. What happened in relation to Ms A's finances prior to that is beyond the scope of this complaint. So I don't consider it's fair or reasonable for Halifax to seek to include Ms A's living expenses prior to this account's opening in its calculations.

Our Investigator provided Halifax with a detailed breakdown of the living expenses she had calculated. Halifax did not raise any specific issue with those calculations, so I think it's

reasonable to rely on them and I've used the same figure for the living expenses in this decision.

In relation to the loan, this has been the subject of a separate complaint. But I agree with our Investigator that it wouldn't be fair for Halifax to reduce any refund of the disputed transactions by the value of the loan, since we're now using Ms A's salary as the basis for the refund – so the disputed loan proceeds aren't included.

So, I find it fair to calculate the redress due to Ms A as follows:

Ms A's salary paid between June 2022 – March 2024	£75,250.27
Estimated living expenses for Ms A between June 2022 and March 2024	£24,752.40
Refund already paid by Halifax	£28,284
Refund now due to Ms A from Halifax	£75,250.27 (salary) - £24,752.40 (expenses) - £28,284 (refund) = £22,213.87

After Halifax had completed its review, it removed the overdraft facility from Ms A's account and removed references to it from her credit file, which I agree was appropriate in the circumstances.

Halifax also paid Ms A £300 in recognition of the time it took to look into things and give its response. I find this is fair and reasonable in the circumstances of the complaint.

My final decision

For the reasons I've explained, I uphold Ms A's complaint.

To put things right, I require Bank of Scotland plc trading as Halifax to:

- Refund Ms A a further £22,213.87

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 30 September 2025.

Eleanor Rippengale
Ombudsman