

The complaint

Mr and Mrs P are unhappy Bank of Scotland plc trading as Halifax returned their cheque as unpaid. They also complain about the service they received and how Halifax's actions have affected their reputations and caused them considerable distress and inconvenience.

What happened

Mr P received a text message from Halifax saying they were going to call him as they needed to discuss a cheque that had been issued from Mr and Mrs P's current account. When Mr P didn't receive a call, he called Halifax.

On the call Halifax explained there were potential fraud concerns. Mr P confirmed that the cheque was genuine and expressed his concerns if the cheque wasn't paid. The bank staff said that his concern would be noted but couldn't guarantee that the cheque would be paid. Mr P complained about this in the same call.

Halifax didn't agree that an error had been made but offered Mr P £30 compensation as a gesture of goodwill. Unhappy with their response, Mr P rejected the offer and said he would be bringing the complaint to our service.

Several days later, Mr and Mrs P received a letter confirming the cheque had been returned unpaid. Mr and Mrs P say this caused them a great amount of distress and significant embarrassment. Mr P says that the payee wouldn't accept another cheque from him and so he had to make the payment through a third party.

When the complaint came to us, the bank reviewed it further and said that they had called Mrs P's phone instead of Mr P's following the text message, which they shouldn't have. So, they increased their offer of compensation to £300. Mr P didn't accept the offer.

Our investigator looked into the complaint and considered that £300 along with a written apology was fair in the circumstances. Halifax agreed but Mr and Mrs P did not.

Following our investigator's assessment Mr P raised additional questions which prompted Halifax to investigate further and at this stage they explained they couldn't find a recording of the call which they say they made to Mrs P. So, on this basis they increased their offer to £500, which our investigator endorsed. Mr and Mrs P remained unhappy and said £3,000 would be more appropriate compensation, considering the impact this has had on them.

Mr and Mrs P have asked for an ombudsman's decision, so the complaint has 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 would like to assure both parties that I've carefully considered all submissions and points made. If I don't comment on a specific point or in as much detail, this doesn't mean I haven't

considered it. My decision focuses on what I consider to be the key issues of the complaint and reflects the informal nature of our service.

In summary, I've reached the same conclusion as our investigator for broadly the same reasons. I appreciate this will be disappointing for Mr and Mrs P and wasn't the outcome they were hoping for. But I'll explain my reasoning why.

On 18 March 2025, Halifax stopped a cheque Mr and Mrs P had issued for a security check, in line with their fraud prevention procedures. Security and fraud prevention systems are in place to protect customers as well as the bank and so overall I don't think Halifax did anything wrong by stopping the cheque and wanting to ask further questions before processing the payment. The errors, however, appear to have stemmed from how Halifax followed this up.

Halifax have explained they had incorrectly called Mrs P's phone number rather than Mr P's. However, Mr and Mrs P have said a call was never received to Mrs P's phone either. Upon review Halifax could see that someone had accessed Mr and Mrs P's profile around the time the call was noted to have taken place but there was no record of the call itself, or confirmation of what number was called.

So, I cannot see that the bank followed up the text with a call to verify the genuineness of the cheque. In addition, I consider that when Mr P proactively called the bank and confirmed that the cheque was genuine, Halifax could have acted on this.

The bank has acknowledged that they could have done more and so the question for me to decide is what fair compensation should be.

The investigator has considered that a payment of £500 and a letter of apology from Halifax is a fair resolution here. I appreciate Mr and Mrs P's strength of feeling on this matter but overall, I agree with the investigator's recommendation for the reasons they have explained.

Ultimately the underlying issue was resolved within a relatively short period of time in that Mr P was able to make the payment to the payee as intended. I haven't been shown any financial loss as a result of the delay.

That said, Mr P has explained that the intended beneficiary would no longer accept a cheque from them - so they had to make the payment via a third party.

I accept this situation was embarrassing for Mr and Mrs P. The investigator has accepted Mr P's submission and recommended that Halifax issue a letter of apology which they have agreed to. It would of course be up to Mr and Mrs P if they wished to share the letter with the intended beneficiary, but it may go some way to help any relations that may have been affected because of the situation.

It is also clear that this matter caused distress and inconvenience to Mr and Mrs P. The investigator has agreed that Halifax's offer to pay £500 is fair compensation. Whilst Mr and Mrs P have asked for £3,000 compensation, from everything I've been presented with, I'm not persuaded this level of award would be reasonable in the circumstances.

So based on everything that's been said from Mr and Mrs P about the distress that's been caused, I'm satisfied £500 compensation is fair and reasonable.

My final decision

My final decision is that I uphold this complaint and instruct Bank of Scotland plc trading as Halifax to pay Mr and Mrs P £500 compensation, along with a written letter of apology.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to

accept or reject my decision before 11 July 2025.

Laura Davies
Ombudsman