DRN-5636789

The complaint

Mr S complains about the service provided by Bank of Scotland plc trading as Halifax when it blocked a payment he wanted to make until he completed further security checks.

To put things right Mr S would like Halifax to pay him substantial financial redress.

What happened

On 30 January 2025, Halifax declined a payment when Mr S tried to transfer a four-figure amount from his Halifax account to a third-party via mobile banking. When Mr S phoned Halifax about this, he objected to being required to answer questions about the transaction he wanted to make before Halifax approved the payment.

When Mr S complained to Halifax about what happened, Halifax didn't uphold Mr S' complaint. It said his payment had been flagged for an additional security check and Halifax needed to speak to Mr S to confirm if it was genuine. Halifax said this was in line with its process and its system had worked as intended. Mr S didn't feel this was a satisfactory response and so he brought his complaint to us.

Our investigator didn't consider that Halifax did anything wrong. Mr S strongly disagreed with our investigator. He said Halifax had been legally obliged to follow his authenticated payment instruction and '…*it was completely unacceptable to request why I needed to make the payment and to indicate that although I had confirmed the payment was genuine and confirmed my identity that they would not proceed…*'

Mr S has asked for an ombudsman to review his complaint, so it comes 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.

Having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

I've briefly summarised and expressed in my own words what seem to me to be Mr S' main concerns and my focus is on what I think are the key issues here. Our rules allow me to do this and this approach simply reflects the informal nature of our service as a free alternative to the courts.

Despite what Mr S has said about the legality of Halifax's actions, it's not for me to determine whether there's been any wrongdoing in law, in the same way that a court or tribunal would. That would go beyond the scope of what we can offer as an alternative dispute resolution service and it's outside my role as an ombudsman. I can however consider the way he was treated by Halifax. Mr S was entitled to expect that Halifax would act towards him in a fair and reasonable way. So this is the focus of my decision.

I appreciate that Mr S feels strongly that Halifax had no valid reason for requesting the information he was asked to provide. But Halifax can't simply rely on Mr S approving the proposed payment. Halifax has legal and regulatory obligations imposed by the Financial Conduct Authority ('FCA'). This means that Halifax has to have processes in place to help ensure it takes reasonable steps to keep customers' money safe.

Halifax has explained it has fraud prevention measures in place and its system identified the need for a check before Mr S' payment could be authorised. The relevant account terms and conditions, which Mr S would've agreed to in order to be able to use his account, allowed Halifax to refuse his payment instruction in these circumstances.

So I don't find that Halifax made any error or did anything wrong when it blocked the transfer Mr S wanted to make.

Nonetheless, Halifax still needed to act in a fair and reasonable way towards Mr S. I've taken into account that Halifax is required to satisfy regulatory requirements and have in place measures to combat fraud and protect customers from scams. It has a duty of care to protect customers' money. The fact that Mr S had been through an initial authentication process when attempting the payment via Halifax's mobile banking app makes no difference here. I don't think it's unreasonable for staff to establish the nature of the transaction being undertaken – particularly given the amount here involved a substantial sum.

I understand Mr S found this intrusive, but Halifax was entitled to enquire into the details of the transaction to help guard against potential scams. I think the sort of questions asked would be raised with any customer who wanted to undertake a similar transaction. So, I don't think Halifax acted unfairly or unreasonably when it took the steps it did to verify what it needed to know about Mr S' transfer request.

After completing the necessary checks, Halifax allowed the payment to go through and it completed the same day. So I don't find that Halifax blocked the transfer for any longer than was fair and reasonable.

I recognise that Mr S found all this frustrating. But to uphold this complaint I would need to be able to fairly say that Halifax did something wrong or acted in a way that wasn't fair and reasonable – and I haven't seen enough here to do so. It follows that I can't award the compensation Mr S would like me to. And I won't be asking Halifax to do anything more.

I appreciate that my decision will be disappointing for Mr S but I hope that setting things out as I've done helps him to understand how I've reached my conclusions.

My final decision

My final decision is that I don’t uphold Mr S’ complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 6 August 2025.

Susan Webb
Ombudsman