

## **THE COMPLAINT**

Mrs C complains that Bank of Scotland plc trading as Halifax will not reimburse her payment transactions made from her accounts which she says were unauthorised.

## **WHAT HAPPENED**

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mrs C says she allowed her husband, Mr C, to set up online banking on her behalf linked to three of her Halifax accounts in her sole name. She contends that thereafter, between 2021 and 2024, Mr C made a significant number of unauthorised transactions from her accounts without her knowledge. She first discovered these when she was preparing to pay off her mortgage in 2024. Halifax submit that these disputed transactions are as follows (all fund transfers with 'Students' as a reference):

- £112,753.36 in total over 134 transactions (Mrs C's current account)
- £21,304 in total over 20 transactions (Mrs C's instant saver account)
- £578 in total (one transaction) (Mrs C's instant ISA account)

Mrs C disputed the above with Halifax. When Halifax refused to reimburse Mrs C, she raised a complaint, which she also referred to this Service.

One of our investigators considered Mrs C's complaint on two occasions and did not uphold it. As Mrs C did not accept the investigator's findings, this matter has been passed to me to make a decision.

## **WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

## **Findings**

Regulation 74 of the Payment Services Regulations 2017 states, in short, that a payment service user – such as Mrs C – might not be entitled to redress if they report any unauthorised payment transaction(s) later than 13 months after the debit date. Given the period of the disputed transactions and when they were reported, it is possible that some of them might be caught by Regulation 74. However, I will not comment on this point further, as I take the view that Mrs C's complaint fails for other reasons.

Based on the evidence before me, it is difficult to conclude with certainty whether Mrs C consented to the disputed transactions. However, even if I were able to conclude that the disputed transactions were unauthorised, I take the view that Mrs C acted with gross negligence, which would mean she would be liable for the transactions.

I am of the opinion that Mrs C acted with gross negligence because she allowed Mr C to set up online banking for her accounts on her behalf. Consequently, this not only provided Mr C with the ability to set up online banking, but also provided him with access to Mrs C's accounts, which he then allegedly abused. I acknowledge that Mrs C says she trusted Mr C, as her husband, to set up the online banking and check her balances only. However, I must bear in mind that the accounts concerned were in Mrs C's sole name. I take the view that Mrs C acted with gross negligence by allowing a third-party – husband or otherwise – to set up her online banking, have knowledge of the login details, and as a result, gain unrestricted access to her accounts which were not jointly held.

The disputed transactions started in 2021, and Mrs C discovered them in 2024. I acknowledge that Mrs C says that during that period she did not check her account balances because Mr C did so on her behalf. However, I find this in itself to be negligent behaviour – particularly given none of the accounts were in joint names with Mr C. Further, approximately £110,000 of the total disputed transactions were made from Mrs C's current account spread over 134 payments. I find it extraordinary that for about three years Mrs C did not notice any of these transactions – particularly given the fact she used her current account quite frequently for day-to-day spending.

I have thought about whether any of the disputed transactions ought to have flagged on Halifax's systems prompting it to intervene. Having done so, I am not persuaded they should have. The payments were not significantly high in value. Given the frequency of the payments, the payee concerned would have become established on Mrs C's account. Further, I have not seen, in my view, any other significant aggravating features surrounding the disputed payments which would have justified them flagging.

## **Conclusion**

Taking all the above points together, I do not find that Halifax has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Halifax to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

## **MY FINAL DECISION**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 22 August 2025.

Tony Massiah

**Ombudsman**