The complaint

Mrs C is unhappy Handelsbanken plc delayed transferring money to an external third-party account, after her request was flagged for further security checks. Mrs C has said the delays caused her a significant amount of distress and she's lost interest as a result.

What happened

Handelsbanken opened a current account for Mrs C on 31 January 2025. On 3 February 2025 she received money from a house sale into her account. The same day Mrs C requested two transfers. The first transfer for £400,000 was successfully completed the following day. But it appears the second transfer of £1,200,000 couldn't be completed as the money was being sent to an account in Mrs C's daughter's name (Ms C) and the receiving provider refused to accept it.

Mrs C went back into Handelsbanken on 5 February 2025 to request the second transfer to be sent to a different account in her daughter's name. Mrs C also requested following this transfer that any remaining money should be transferred out and the account to then be closed, as Mrs C explained it was impractical for her to travel so far into branch.

Ms C, an authorised third party on Mrs C's account, called the bank on 6 February 2025 to ask when the payment would be completed but was told that the transfer had been stopped for further checks. Unhappy, Ms C raised a complaint on behalf of Mrs C. They've said they believed Handelsbanken were punishing them for choosing to move Mrs C's money elsewhere and close the account.

Handelsbanken said no error had been made regarding the transfer and the request was fairly stopped for further checks given the circumstances. The checks were completed, and the transfer went through within two working days, on 7 February 2025. Unhappy with their response, Mrs C brought the complaint to our service.

When the complaint came to us, Handelsbanken made an offer of £250 compensation. Our investigator ultimately considered this was a fair offer given the poor service but was satisfied the further checks were appropriate. However, Mrs C disagreed, saying interest should have been paid and the amount offered didn't reflect the anguish that she had been caused, especially when Ms C relayed the conversation she'd had with Handelsbanken on 6 February 2025 to her. Mrs C considered £2,500 would be a more acceptable offer.

As Mrs C has disagreed – 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.

Having done so, I've reached the same outcome as our investigator. I understand this wasn't the outcome Mrs C was hoping for, but I'll explain my reasoning below.

I'd like to assure Mrs C, and her representative Ms C, that I've carefully considered all the points raised. If I don't comment on a specific point, or in as much detail, it doesn't mean I've not considered it. My decision focuses on what I consider to be the key points of the complaint and reflects the informal nature of our service.

Further checks

Having considered the timeline of events and the large sums of money involved here, I can understand why the bank flagged Mrs C's transfer request for further checks.

The bank says this request seemed unusual given the short amount of time the account had been open, that Mrs C hadn't told the bank it was her intention to move the majority of the money out almost immediately after opening the account, the money was going to an account not in Mrs C's name and the account was then requested to be closed after the transaction – all within a week of being open. The purpose of the further checks was to protect Mrs C and the bank and ensure that there was no risk of any potential fraud or scam. Overall, I'm satisfied the further checks the bank undertook were fair and reasonable in the circumstances. The checks were completed, and the transfer actioned within two days, which I consider to be a reasonable length of time and in line with Handelsbanken's normal processes.

However, having listened to the call Ms C had with Handelsbanken on 6 February 2025, I think the adviser handled this conversation poorly. As a result of this, I think the reasoning behind why this payment had been stopped was somewhat lost. And I can appreciate why Ms and Mrs C have said they felt the bank were conducting these checks simply because Mrs C had decided to move her money and bank elsewhere.

As a customer, it's Mrs C's prerogative to choose where she banks and ultimately it appears she'd decided that the account wasn't going to work for her in the long run. I don't doubt that a delay in processing her payment request would have been stressful. But as I've outlined above, I'm satisfied the further checks were fair and proportionate.

It's the call from Handelsbanken with Ms C which could have been handled differently and for which I think compensation is warranted in this case. So, this is what I'll consider along with the interest point, which I'll cover below.

Potential loss of interest

Mrs C has said she's lost out on interest due to the delay in her request being processed and under relevant regulation Handelsbanken should pay interest. The account Mrs C held with Handelsbanken was a non-interest-bearing account. As the investigator explained, if Mrs C wishes to raise a separate complaint with Handelsbanken about the type of account she was sold – she would need to do this separately.

I can only award compensation when I think the bank has done something wrong which has caused the consumer – in this case, Mrs C – to lose out financially.

With the above in mind, regarding the payment of £1,200,000, I've already explained that I don't think the bank did anything wrong in pausing the payment while they undertook further checks. And I also note that the account the money was being sent to was in Ms C's name, not Mrs C. So, I can't agree that Mrs C has lost out on any potential interest on this amount.

The remaining funds in Mrs C's account, roughly £184,000, were also transferred out on 7 February 2025. Again, I think the delay in completing Mrs C's transfer request was reasonable for the reasons explained above. But, even if I thought interest should be paid, I think Handelsbanken’s offer of £250 compensation is appropriate compensation for the poor service as well as any potential loss of interest incurred on this amount in the two-day delay.

My final decision

My final decision is that I uphold this complaint in part and instruct Handelsbanken plc to pay Mrs C £250 compensation.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs C to accept or reject my decision before 30 September 2025.

Laura Davies
Ombudsman