

The complaint

Mr K complains Bank of Scotland plc trading as Halifax won't refund transactions made from his accounts, he says he didn't make or authorise.

What happened

In October 2024, Mr K says he discovered his partner had set up online banking in 2015 and had made transactions totalling about £100,000 over a ten-year period from his accounts. On 22 October 2024, having discovered the disputed activity the day before, Mr K reported the activity to Halifax.

Halifax agreed to refund transactions going back 13 months, a total of £25,481.66. It said it wasn't obliged to refund transactions going back more than 13 months under the Payment Services Regulations 2017 ("PSRs"). Following a complaint, Halifax still refused to refund any further payments.

Mr K referred matters to our service. An Investigator considered what had happened. She said, in summary, that Halifax weren't obliged to refund more than 13 months of transactions in accordance with Regulation 74 of the PSRs.

Mr K did not accept the Investigator's findings. He didn't think it was fair for Halifax to refuse to refund any further transactions.

As Mr K did not agree, the complaint was passed to me to decide. I issued a provisional decision. I've set out my findings again below and they form part of this decision.

Provisional decision

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a courtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

The disputed transactions

Under the PSRs generally, Halifax can hold Mr K liable for the disputed transactions if the evidence suggests that he made or authorised the transactions. The PSRs also say a consumer is only entitled to a refund for unauthorised transactions if they report them to their bank without undue delay, and no later than 13 months after the transaction took place.

The terms of Mr K's account also say that the bank won't refund transactions which took place more than 13 months from when they're reported. The general expectation is that a

consumer would be expected to manage and monitor their own account and if they notice an unrecognised transaction, they should report it without delay.

Mr K has told us that his former partner of 24 years, registered him for online banking without his permission in 2015 and then used that access to make unauthorised transactions from Mr K's accounts. Mr K also says that his ex-partner used his debit card details on his sole account to make purchases online. Mr K says the debit card for his sole account was kept in a drawer at home – he didn't use the debit card on this account.

Halifax accept that since 2015, the telephone and email address it had held for Mr K had not been his genuine contact details. And based on what Mr K had said, it agreed to refund all the disputed payments that had been made using Mr K's online banking, as well as some card payments to two particular merchants made from Mr K's sole account, going back 13 months from when Mr K reported the fraud to Halifax. Mr K wasn't happy with this because he wants all the money he says his ex-partner wrongly took from his account over the previous ten years refunded.

Mr K told us that he'd allowed his partner to manage their finances, and he didn't monitor his accounts at all. He said he believed a £500 standing order was set up from his sole account to the joint account, to cover his share of the joint bills. Having reviewed the statements, there wasn't a standing order for this amount going from Mr K's sole account to the joint account. But there was a standing order for £500 going from the joint account to another account in the joint party's name. Mr K says his partner would give him cash if he needed money, she organised payment of all their joint bills and told Mr K that everything was done online – so he wouldn't receive paper statements. But, Mr K says, he didn't know she had online access to his accounts or that she was making transactions from his sole accounts to their joint account and then onward to other accounts in her name. Or that she was using his debit card to make online purchases.

Mr K's mentioned that his former partner made a transaction of £2,000 out of the joint account after he reported the disputed activity. But, having reviewed the statement I can't see this transaction. It looks like a payment of this amount went in to the joint account on 21 October 2024, from an account that appears to be in Mr K's ex-partner's name.

I am sorry to hear all that Mr K's been through. I can appreciate how worrying it must have been to have discovered approximately £100,000 missing from his accounts and Mr K has told us of the serious impact it's had on him. And I've noted Mr K has told us the police are now involved. I do understand the reasons Mr K has given for not monitoring his accounts. But Mr K's decision not to monitor his accounts means the disputed activity was allowed to continue for a long period of time and wasn't reported until about ten years after it had begun. I do find it unusual that Mr K says he did not check his accounts at all, particularly his sole account which his salary was being paid into and which he says should have had a balance of approximately £100,000. And, regardless of Mr K's reasons, it was still his responsibility to monitor his own accounts as the account holder.

As I've already explained, under the PSRs and terms of the account, Halifax is only obliged to refund unauthorised transactions reported within 13 months of them being made. So, while I understand why Mr K won't agree, I don't find Halifax has treated him unfairly by only refunding the disputed transactions which took place within 13 months of Mr K reporting them. That isn't to say Mr K hasn't lost more money than this, just that in these circumstances I don't find Halifax is obliged to refund any more than it already has.

Mr K believes Halifax should have flagged the transactions as suspicious. Having reviewed the statements though, the faster payments were being transferred to another account in Mr K's name (the joint account) and were payments in amounts I wouldn't expect Halifax to

have been concerned by, usually in the hundreds. And the debit card activity had been consistent for a number of years. This isn't surprising based on what Mr K has told us his partner was doing in terms of running their finances. So, I don't think the account behaviour should have been flagged by Halifax.

Handling of the fraud claim

Following the refund in December 2024, this left the joint account significantly overdrawn and Mr K says he received letters and telephone calls asking him to repay the debt. Mr K is concerned that Halifax allowed the joint account holder to run up this debt following him raising the disputed transactions. But the debt occurred because of the way Halifax arranged the refunds to him. Mr K received contact about the debt because he remained a joint account holder, but I can see why Mr K would have been upset by this. Halifax has said the outstanding balance on the joint account has now been repaid by the other account holder. So Mr K shouldn't receive any further contact about this. But, given the reason for the overdrawn balance, I don't think it was fair for Mr K to have been contacted about this debt at all.

Mr K is also unhappy with how the fraud claim was handled at the outset, in particular how many trips to the branch and calls to the fraud team he had to make before any action was taken by the bank. I've listened to the calls Halifax has provided. I note that, because of the circumstances, Mr K wasn't always clear about which specific transactions were in dispute but it's clear from the first call that Mr K was disputing almost all the activity on his account. So it's not clear to me why Halifax didn't take a more proactive approach to the fraud claim.

Halifax has now agreed to pay Mr K £200 in respect of the poor service he received in relation to the fraud claim. And, taking into account the number of calls Mr K had to make to the fraud team, that he first reported the fraud in October 2024, but nothing was raised at Halifax until December 2024 and then Halifax contacted him for repayment of the debt on the joint account - I find £200 fairly reflects the distress and inconvenience caused.

Responses to my provisional decision

Mr K responded to say he hadn't been refunded a total of £25,481.66. And he remained concerned about the £2,000 that had been paid into the account by his ex-partner, he said he never received this money either.

Halifax didn't provide any further comments in response to the provisional decision.

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.

Following Mr K's reply to my provisional findings, we asked Halifax for further clarification around the refunds it had given. It said it had provided the £25,481.66 amount in error. The total amount of refund it had actually paid Mr K was £13,299.28. Halifax apologised for any confusion this had caused.

In respect of the £2,000, this was paid into the joint account on 21 October 2024. Before this was paid in, the account was overdrawn by £764.52. So, the credit in of £2,000 brought the balance of the joint account to £1,235.48. After this, several debit card payments were made – bringing the balance of the joint account to £1,046.30. Halifax then refunded all the payments that had gone out to Mr K's ex-partner's account between October 2023 and October 2024. This totalled £10,200.

After this, Halifax reversed all the transfers that had been made from Mr K's current account to the joint account between October 2023 and October 2024. This was a total of £16,800. This reversal left the joint account overdrawn by £5,733.70. Therefore I can assure Mr K that this overdrawn balance was not "run up" by Mr K's ex-partner spending on the account after it had been blocked and the £2,000 paid in on 21 October 2024, was partly used to bring the account into credit on 21 October 2024 and the rest was eventually part of the total that was moved back to Mr K's sole account. So, I don't find Halifax has made a mistake in respect of this £2,000.

Once the £16,800 was moved back to Mr K's sole account. Halifax then refunded the disputed card payments made between October 2023 and October 2024. Halifax also refunded any associated overdraft interest to Mr K's sole account. This was a total of £3,099.28.

After all the adjustments had been made, on 27 December 2024, Mr K transferred out a total of £26,589.03 to an account at another bank.

Although the amount it had told us was incorrect, I'm still satisfied – for the same reasons I gave in my provisional decision that Halifax isn't obliged to refund transactions if they are reported more than 13 months after they were made. I know Mr K remains unhappy with my findings on this. But having reviewed Halifax's most recent breakdown of the refunds made, I'm satisfied it's treated Mr K fairly in respect of the disputed transactions themselves. Once again, I realise Mr K says he has lost substantially more money than has been refunded and I don't dispute this, it's just that I don't find Halifax is obliged to refund more than it already has in the circumstances of this complaint.

I also remain satisfied that it wasn't fair or reasonable – given the steps I've set out above – for Halifax to have asked Mr K to repay the overdrawn balance initially. And I still find it did not handle Mr K's fraud claim appropriately at the outset. Having considered matters again, I remain satisfied £200 fairly reflects the distress and inconvenience caused by these issues.

Mr K has also more recently mentioned two attempts to use his Halifax debit card in July and August 2025. It looks like both attempts were blocked and unfortunately, Halifax can't stop anyone in possession of Mr K's card details attempting to use them. If Mr K is unhappy with anything that has happened more recently, those issues would need to be raised with Halifax in the first instance.

My final decision

For the reasons I've explained, I uphold this complaint in part.

To put things right, I require Bank of Scotland plc trading as Halifax to pay Mr K £200 in respect of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 January 2026.

Eleanor Rippengale
Ombudsman