

The complaint

Mr D complained about Bank of Scotland plc trading as Halifax after it blocked a payment he attempted and restricted his account.

He seeks compensation for costs incurred and time spent dealing with the matter and he wants Halifax to review its fraud policy.

What happened

- On 26 September 2025, Halifax declined a four-figure payment Mr D tried to send. It sent him an SMS notification explaining that his account would be blocked as a precaution if no response was received within 48 hours.
- On 29 September, as Halifax hadn't heard back, it blocked Mr D's account in line with its fraud prevention protocols.
- Later that day, after discussions with Halifax's fraud team, the account restrictions were lifted.

Halifax did not uphold Mr D's complaint. It explained that its system flagged the payment as potentially suspicious, which led to the declined payment and temporary block while investigations were carried out. Halifax said this was in accordance with its procedures and not an error.

Our investigator agreed and did not recommend Halifax take further action. Mr D disagreed, so his complaint came to me for a final 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.

I understand why this situation was frustrating for Mr D. But having thought about everything, I agree with the investigator. I'll explain why.

Mr D has said 'The policy itself is wrong' and feels it's inconsistent to flag a payment for further checks but delay restricting the account. It's the role of the regulator, the Financial Conduct Authority (FCA) to make rules for financial businesses. So I won't be responding to Mr D's concerns about Halifax's policy or the way it operates. To uphold Mr D's complaint and award the compensation he seeks, I would need to find that Halifax made an error or acted in a way that wasn't fair and reasonable. So I've looked at what happened with this in mind.

Halifax's fraud detection system flagged the payment for additional checks before authorisation. These checks are designed to protect customers' money and prevent fraudulent activity.

The account terms and conditions, which Mr D agreed to when opening his account, allow Halifax to refuse payment instructions in such circumstances.

Halifax acted promptly to remove the restrictions once Mr D made contact.

Mr D believes he was put to unnecessary trouble and expense and feels he should have been able to access his own money. I appreciate how inconvenient this was. However, Halifax must comply with legal and regulatory requirements and has a duty of care to protect customers' funds. It is ultimately Halifax's decision whether to authorise a payment and I am satisfied it acted in line with its obligations.

I'm sorry for how what happened left Mr D feeling. But, as I've found that Halifax acted fairly and reasonably in accordance with its terms and conditions, it wouldn't be reasonable to require Halifax to compensate him.

I hope that setting things out as I've done helps explain how I've reached my conclusions.

My final decision

My final decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 January 2026.

Susan Webb
Ombudsman