

The complaint

Mr and Mrs W complain about the service they received from Bank of Scotland trading as Halifax when making a payment into their joint account. They also complain about Halifax stopping a series of payments out of the account and poor customer service.

What happened

Mr and Mrs W explained a substantial Clearing House Automated Payment (CHAPS) was made to their Halifax joint account on 28 February 2025. Mr W said he told Halifax to expect the payment several days before. However, despite using the CHAPS system, Mr W said the funds weren't credited to their account until after 5pm. Mr W complains Halifax delayed immediate access to his funds despite him telling it about the payment twice before it was made.

Mr W explained once the funds had been credited to their account he made debit card transactions to a third-party investment company. Mr W explained he has been sending funds to this nominated account from this Halifax account for over 30 years, so the relationship was well established, and he described this as a '*routine*' transaction.

Mr W said Halifax blocked their account because of these transactions. Mr W explained he had to visit a branch with his ill wife to unblock the account on 1 March. Mr W claims their account was blocked from Friday until Monday or Tuesday the following week.

Mr W said he also notified Halifax he would be issuing several large cheques after receiving these funds into the joint account. Mr W further complains Halifax rejected these cheques the following week after he had unblocked the account. Mr W also complained about the length of time it took Halifax to tell him it had rejected the cheques. Mr W said they didn't receive the letter explaining this until 8 March, and also complains this letter was only addressed to his ill wife, despite Mr W signing the cheques. Mr W claims this was a breach of GDPR. He explained because of these issues the cheque payments weren't made until 10 March.

Mr W explained these issues caused him significant inconvenience, describing how he had to make numerous calls, rewrite cheques and visit branches. He also explained he had to wait for over half an hour in branch for one appointment, which was then cancelled. Mr W explained how this sadly had a severe impact on him and Mrs W, due to Mrs W's poor health.

Mr W and Mrs W explained Halifax has accepted most of the issues above and offered £500 compensation. Mr W states he has calculated the financial loss of interest at over £1,000 alone. Mr W said he required a minimum of £1,500 compensation for both the financial loss, other listed costs and distress and inconvenience. He also requested Halifax make improvements to its processes.

Halifax wrote a final response letter to Mr W. Halifax explained the agent on the telephone should have been cleared when Mr W contacted it about the large payment due into his account, and should have explained future payments could be subject to security checks regardless of Mr W informing Halifax of the incoming funds.

Halifax said there had been a technical fault within the payments system on 28 February, this was experienced by other banks at the same time. Halifax said the issues were resolved

by mid-afternoon and couldn't explain why the funds hadn't credited his account until after 5pm. They said Mr W may need to speak with the sending bank to understand why this occurred.

Halifax confirmed it blocked the payments Mr W tried to make later that day for security checks. Halifax said the security process was '*correctly performed*', and when Mr W contacted it, Halifax correctly advised Mr W to visit a branch with identification to remove the block. However, Halifax accepted the service was below the standard it expects and Mr W should have been passed to the correct department straight away when he called to speak about the block.

Halifax said it removed the security block on 3 March after Mr and Mrs W visited a branch on 1 March because this was the next working day.

Regarding the cheques which were not paid, Halifax said it needed to confirm the authenticity of the cheques and tried to call Mr W. Halifax noted Mr W said he hadn't received a call and Halifax said it was therefore unable to explain what had happened. However, Halifax apologised and said it had no reason to doubt what Mr W had said.

Halifax explained it uses standard templates when issuing letters and the agent dealing with the correspondence would have selected one of the joint account holders. It said as Mrs W was a party to the account, it hadn't breached GDPR.

Halifax also recognised one comment made on a call by a named agent was '*unprofessional*' and had addressed this matter internally.

Halifax also apologised for cancelling the meeting in the branch without any notice and acknowledged Mrs W had additional needs. Halifax offered to discuss Mrs W needs in more detail so it could offer support in future.

Halifax offered compensation of £500 but said it wouldn't offer any lost interest.

Our investigator sympathised with the issues Mr and Mrs W had encountered and thought there was evidence to support they had received poor service from Halifax, which included cancelling the appointment.

They agreed Halifax should have explained there could be further security checks when Mr W contacted it, but didn't think Halifax had done anything wrong by undertaking these checks. However, they accepted the issues together had caused considerable distress and inconvenience and thought the offer of £500 compensation was fair and reasonable for this.

Our investigator didn't recommend any compensation for financial loss explaining the funds had been paid into a current account. They also didn't think Halifax had breached GDPR.

Mr and Mrs W disagreed with our investigator's recommendation. In reply, Mr W explained they had been denied access to the funds because of the late transfer and subsequent block on their account and they could have transferred these funds and earned interest in a different account if these issues hadn't occurred. Mr W argued this denial of access warranted financial compensation in line with our services guidelines.

As Mr and Mrs W rejected our investigator's recommendation, their complaint has been passed to me to make 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 appreciate how strongly Mr and Mrs W feel about their complaint and was sorry to read of the difficulties they had. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

For ease of reference, I have decided to deal with the different issues under separate headings as follows.

Late CHAPS payment

I can see from Mr and Mrs W's current account statement the funds from the CHAPS were credited to their Reward Current Account on 28 February 2025. I appreciate Mr W has complained the funds arrived after 5pm so have examined the terms and conditions of Mr and Mrs W's account relating to CHAPS payments.

Halifax says payments made before 4.25pm will be credited to the account on the same day, payments made after 4.25pm will be credited the next working day.

There is some evidence the transfer process wasn't working correctly on the day in question, but I haven't seen any evidence to suggest Halifax didn't credit the payment on the day it was sent, namely 28 February 2025.

I can see why Halifax has suggested there may have been an issue with the sending bank and said Mr and Mrs W should make enquiries with the sender. In the circumstances, this would seem to be a reasonable suggestion.

On balance I don't think Halifax made an error here. Whilst I appreciate Mr W wanted the funds earlier, I am not persuaded there was any requirement for the funds to arrive earlier in their account, as the funds did apparently arrive on the day they were sent. Halifax has also explained it can't account for any delays made by the sending bank.

Debit card payment

The system notes show Halifax added a restriction to Mr and Mrs W's joint account on 28 February. The notes show this was because of the high value of the debit card transactions and Halifax has said it was concerned about possible fraud.

The starting position in law is a bank is expected to process payments a customer authorises it to make, in accordance with the terms and conditions of the customer's account. I have taken this into account when deciding what is fair and reasonable in this case.

Having said that, there are also obligations on banks to detect and prevent certain transactions, Halifax should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams,
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This means that, there are circumstances where a bank should fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, or restrict the account, to help protect customers from the possibility of financial harm.

Banks have to strike a difficult balance between how to detect unusual activity on an account and to also not interfere with the vast majority of perfectly normal transactions which are not fraudulent or related to scams. These checks are usually carried out automatically in accordance with parameters and measure the business has put in place.

I fully appreciate Mr W notified Halifax of the funds reaching his account and explained he would be making payments, but I am not persuaded this in of itself absolved Halifax from its usual processes and checks.

To clarify, had Mr and Mrs W been the victim of a scam or scams, which Halifax had reasonably failed to detect or take appropriate action to detect, then Mr and Mrs W may have had a claim against Halifax for the lost funds. In these circumstances, considering the sums involved, which were several payments of several thousand pounds, I do not think it was unreasonable for Halifax to temporarily stop the payments for further proportionate and reasonable checks.

Furthermore, I have considered whether these transactions would constitute unusual activity on Mr and Mrs W's account. Having examined approximately 12 months' worth of account statements, I am satisfied this activity was unusual because of the frequency and amounts. Although there were transactions previous for large amounts, I am ultimately satisfied the transactions attempted on 28 February were not usual transactions for Mr and Mrs W's account.

Halifax has explained the block it placed on the account would require identification due to the concerns it had at the time. Mr W spoke with Halifax on 28 February and I have listened to the call.

The adviser explained Halifax had placed a higher-level block on his debit card which would require verifying Mr W's identification to unblock. The call handler explained there were two options; they could provide Mr W with a link via his mobile telephone where he could upload his ID, or he could visit a branch with identification. I understand how frustrated Mr W was as he explained he had already visited the branch earlier that day. However, these transactions had been attempted much later, and he decided he would visit the branch again the following day to unblock the account.

Halifax has explained Mr W's debit card was unblocked the next day when he visited the branch. However, as this was a Saturday, and therefore a non-working day, the unblocking wasn't finalised until the following Monday 3 March.

Having taken all this into consideration, I am not persuaded it was unreasonable of Halifax to temporarily block Mr W's debit card. The transactions were for thousands of pounds, so significant sums, which were to some degree out of character. I can see Mr W has made transactions to the third party before, so can appreciate Mr W's view this was a trusted transaction. However, I can also understand why this may have triggered Halifax's fraud detection, in line with the explanation I have given above.

I'm not persuaded it would be fair to find Halifax acted unreasonably here. It has a duty to protect customers. Whilst I can appreciate this caused Mr W some inconvenience, our service accepts financial matters won't always be '*hassle free*' and sometimes require additional reasonable actions to be taken. I am satisfied this is what occurred here.

Blocked Cheques

For context, all the cheques in question were again for significant sums. I can see Mr W asked about whether there were limits for writing cheques before issuing them and was advised these cheques were under the limit. I also appreciate Mr W contacted Halifax before writing the cheques to notify it.

I have listened to the telephone call Mr W had with a representative on 6 March regarding the unpaid cheques. The adviser explained why the cheques had required additional

investigation, citing the cheques were of significant value and would likely have triggered additional investigation regardless of whether Mr W notified Halifax or not.

Halifax has provided evidence from its systems showing Mr W was sent a series of text messages stating he would be called to discuss the cheques. Mr W confirmed in his complaint letter he received one of these text messages and also said he spoke to two advisers regarding the cheques on 3 March. However, Mr W said he hadn't received any such calls during the call on 6 March.

I can see how frustrating this must have been for Mr W, on top of the issues he had already experienced. I also appreciate there was little more Mr W could do other than notify Halifax in advance of the cheques. It must have been extremely disappointing and embarrassing, having taken the steps described to ensure the smooth payment of these cheques, to have them stopped.

However, for many of the reasons I explained above regarding fraud, I can also understand why Halifax wanted to ensure these cheques were authentic.

In summary, these checks were to protect Mr and Mrs W to ensure the payments were genuine and that Mr and Mrs W weren't being targeted by a fraudster. Sadly, our service sees many instances where this happens. As I have said, taking into account the sums involved, which again were unusual for Mr and Mrs W's account, I don't think it would be fair to find Halifax acted unreasonably here.

I also asked Halifax whether there were any records of the calls concerning the authentication of the cheques, unfortunately Halifax said this evidence is not available.

Essentially, the calls, which Mr W disputes were made, should have resolved the issues and resulted in the cheques being paid. This clearly didn't happen, and I therefore have no reason to doubt Mr W's version of events and am pleased to see Halifax has apologised for this. I therefore uphold this part of Mr W's complaint regarding the calls.

Interestingly, I can see Halifax took details of the cheque which had not been paid and asked Mr W to provide the details and new cheque number and payee for the new cheque he would be writing during the call on 6 March. This shows Halifax could in certain circumstances ensure cheque payments would be made in advance if the information was provided before the cheque was presented. It appears from the evidence this option wasn't explored with Mr W when he advised he would be writing large cheques, I therefore think Halifax missed an opportunity to ensure these cheques would clear in advance.

I also agree it was poor service to not write to Mr W sooner than it did regarding the cheques. I am satisfied this was poor service.

Data Breach

Mr W has claimed Halifax breached data protection legislation when it wrote to his wife instead of him about their joint account. I've taken the data protection legislation into account when making my final decision on this complaint, as it is relevant law, but my role is to decide what is reasonable and fair. The regulator for such matters is the Information Commissioners Office (ICO).

Whilst I can understand Mr W's frustration at the letter being addressed to his wife, it is the case that Mrs W was a party to the account and entitled to have correspondence sent to her about the operating of the account.

Halifax has explained how this occurred, and I don't think this was unreasonable or unfair in the circumstances. To be clear, the information was regarding a joint account to which Mrs W was a party. Halifax therefore don't appear to have disclosed anything she wasn't entitled to see, but I can entirely see why Mr W would find it disappointing Halifax didn't include him in the letter.

Customer service

I can see Halifax has upheld a series of issues with its customer service, as I have highlighted above.

These issues are known to both parties, and as Halifax has accepted these issues, I don't intend to repeat them in detail here, but in summary:

It's clear from the call on 28 February, Halifax passed Mr W to the incorrect department first.

It's also clear there were other calls where advisers didn't act as professionally as Halifax or Mr W reasonably expected.

Mr and Mrs W sadly suffered poor service at the branch. This clearly caused him and his wife significant inconvenience.

I uphold all of these issues and can see Halifax has already apologised for them and offered a total of £500 compensation for the distress and inconvenience caused for these issues and the other matters upheld above.

I appreciate Mr and Mrs W want Halifax to pay the interest they believe they lost due to the issues above. I have carefully thought about the sequence of events that led to the delays in the funds reaching Mr and Mrs W's desired recipients.

I haven't held Halifax accountable for the delay in funds reaching the account. I am also not persuaded Halifax acted unreasonably when it sought to ensure both the debit card and cheque payments were genuine. Our service expects businesses to undertake such checks when there are reasonable grounds to do so, which I am persuaded there were in these circumstances.

I appreciate Mr W has said he told Halifax about the payments, and I think Halifax could have done more when he contacted it to advise of these payments, but despite this, I am still not persuaded Halifax were under any duty not to undertake checks if it had concerns.

I recognise the payments didn't happen as quickly as Mr and Mr W wanted. With regards to the debit card payments to the investment company, Mr W could have made these the following Monday, which was the next working day after the block had been lifted. There is some evidence these payments were made using Mrs W's debit card. Mr and Mrs W couldn't have made them earlier because of the timeframe involved. I don't think this delay was excessive or unreasonable in the circumstances.

With regards to the cheque payments, these were to third parties and the money would have needed to have been in Mr and Mrs W's current account to make these payments in any event. I note several hundred thousand pounds were sent to third parties and the evidence suggests this was always Mr and Mrs W's intention with these funds.

Whilst Mr W has said he could have invested these funds at a higher rate of interest, I am not persuaded this was their intention because of the information above.

I therefore don't think it would be fair or reasonable to require Halifax to make any payment for lost interest for any of these delayed transactions.

Mr W wanted our service to consider Halifax's processes as part of our investigation. Our service also can't ask businesses to change processes or procedures. How businesses operate are commercial decision businesses are entitled to make. Such matters, in certain circumstances, can be matters for the regulator the Financial Conduct Authority (FCA).

Having considered all the issues above carefully, I agree with our investigator's recommendation, that Halifax's offer of £500 is a fair and reasonable compensation award for the impact of the distress and inconvenience for the poor service Mr and Mrs W received.

There was clear some significant inconvenience to Mr and Mrs W which took a reasonable effort to sort out. I am therefore satisfied this offer is in line with what I would expect in the circumstances presented and within the general framework our service uses when assessing compensation amounts, details of which are available on our website.

My final decision

For the reasons I have given, I uphold part of this complaint. I require Bank of Scotland trading as Halifax to pay £500 compensation for the distress and inconvenience it caused Mr and Mrs W, if it has not already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 11 February 2026.

Gareth Jones
Ombudsman