

The complaint

Mr K complains that Bank of Scotland plc trading as Halifax (Halifax) won't refund him for unauthorised cash withdrawals made on his account.

What happened

On withdrawing £1,300 at a Halifax branch on 15 June 2024, Mr K requested a statement of his account and noticed cash withdrawals made at various automated teller machines (ATM's) which he had not authorised.

Mr K says he had never visited the locations that the cash withdrawals were made. And says he used his card and entered his personal identification number (PIN) when making the cash withdrawal in the branch.

Mr K says he raised concerns with the branch staff, resulting in his card being frozen and a new card being issued. He says the fraud team was also notified. He says that Halifax told him to log the matter with the police, which he did, and he also reported the matter to Action Fraud.

Mr K says the unauthorised ATM cash withdrawals started on 2 June and went on until 16 June 2024 and totalled £4,300.

Mr K states that after reporting his concerns on 15 June 2024, he wrote to Halifax on a number of separate occasions in July 2024 and was disappointed when no response was provided, so he complained. He said he notified Halifax that he had undergone heart surgery, and that the matter was distressing for him.

Halifax states that on 15 August 2024, it wrote to Mr K and acknowledged it had fallen short in assisting him, and it awarded him £100 in recognition of its failings. It says it also told Mr K the matter would be escalated to the fraud team for a further review as it could see that one ATM withdrawal for £300 had been refunded but it was unable to see why the rest hadn't been. But Mr K says he didn't receive this letter, so he wrote to them again in August, September and October 2024.

Mr K says he finally received a letter dated 22 October 2024, which included a copy of the letter dated 15 August 2024 which he says he had not previously received. Mr K says he then wrote to Halifax on 11 November 2024, to which he received a response telling him the complaint was being referred to another authority within Halifax and that they would be in touch.

As no follow up response was received, Mr K says he contacted Halifax again on 9 December 2024 to chase and was told that Halifax would be in touch by the end of the week. He was then informed that Halifax had declined his complaint.

Halifax says it provided a final response to Mr K on 13 December 2024, where it had determined that one ATM withdrawal for £300 had been refunded due to the ATM not

dispensing. It says a claim had been raised at the time and the ATM owner had accepted that cash had not been dispensed so a refund was agreed. But it said that it stood by its decision in declining a refund of the remaining transactions, totalling £3,900. It again awarded a further £100 for the inconvenience Mr K experienced whilst waiting for a response. It also provided a breakdown of the ATM's where the disputed withdrawals had taken place. But Mr K remained unhappy, so he brought the complaint to this service for further consideration.

Mr K says that Halifax did not provide an explanation for how it was possible for £1,300 to be withdrawn at the branch counter at 12.15 pm, when a further £300 was withdrawn at an ATM at another location, some distance away, at 12.34 pm that same afternoon. And Mr K says he informed Halifax more than once that he had not shared his card or PIN with another third party.

He also says he wasn't contacted by Halifax about the activity on his account, which should have been flagged as suspicious, and that had Halifax contacted him, his card would have been cancelled sooner and further withdrawals from his account would have been prevented.

Mr K says it appears that his card had been cloned, but Halifax had failed to reimburse him. Mr K also told our investigator he had previously raised concerns with Halifax about ATM withdrawals made on his account in April 2024. But our investigator said she was unable to look into these disputes as there was no record of them being raised with Halifax and nor had they been raised in the initial complaint Mr K brought to the service or in the final response. But she asked why there was a gap of over a month between the payments disputed in April 2024 and the payments disputed in June 2024.

Mr K states it was his oversight that the April 2024 transactions were not mentioned in his 17 February 2025 letter, but he says they had been discussed with Halifax on two occasions. But Halifax says it had no record of this claim being reported.

As no agreement could be reached, the complaint was passed to me to decide.

I sent Mr K and Halifax a provisional decision, to explain why I thought the complaint was not upheld. In that decision, I said:

I intend not to uphold Mr K's complaint. My review of the evidence has led me to broadly the same conclusion as the investigator for mostly the same reasons, in that it's fair and reasonable for Halifax to hold Mr K liable for the disputed ATM transactions which he disputes were made in June 2024.

I appreciate that Mr K also mentioned his concerns relating to ATM transactions made in April 2024, but I will not be considering these here as they do not form part of the original complaint Mr K raised with Halifax or that he brought to this service. But once Halifax has considered these concerns separately, Mr K is welcome to bring his complaint to this service for consideration if he remains unhappy.

I realise this will be disappointing for Mr K and I understand his strength of feeling on this matter and that it has impacted his health. He has my sympathy, and I'd like to assure him I haven't taken this decision lightly.

I've also summarised this complaint in far less detail than it may merit. Instead, I've focussed on what I think are the key issues here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual

argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact the decision I'm making.

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

The relevant regulations here are the Payment Services Regulations 2017 (PSRs). Broadly speaking, Halifax can hold Mr K liable for the disputed transactions if the evidence suggests that he made or authorised the transactions. Or if the transactions were made with the apparent authority of Mr K. So, I've taken that into account when deciding what is fair and reasonable in this case.

In doing so I have reviewed information provided by both parties, which includes correspondence Mr K sent to Halifax through the course of his claim to understand what happened.

I can see that Mr K wrote to Halifax on several occasions during this claim and that Halifax has acknowledged it should have done more to assist Mr K earlier than it did, which only added to his frustrations. I note there was also some confusion on the part of the business, when it saw that one ATM cash withdrawal, made what seems to be in the middle of the ATM transactions he was disputing, was refunded whilst the rest were not. And I can see that Halifax later on looked into the matter and found this was because the ATM hadn't dispensed cash on 7 June 2024, but as the ATM owner had accepted that cash had not been dispensed, the money had been refunded to Mr K's account.

It's not clear how exactly this particular transaction was raised with Halifax, and I've seen no information to this effect, but it seems more likely than not that if cash was not dispensed by an ATM, it would have been in Mr K's interests alone to raise a concern and to request a refund. As such I'm persuaded that Mr K would have had a reasonable awareness of this account activity on 7 June 2024.

Mr K maintains that his card was always in his possession, and no one had access to it and nor had he shared his PIN. He also says he used his card and PIN when he went into the branch to withdraw money over the counter on 15 June 2024.

So, I've gone on to consider the technical evidence presented by Halifax relating to all the disputed cash withdrawals, which includes the specific times the transactions were made to understand when and where the cash withdrawals took place.

From what I've seen, on every day from the 2 June through to 15 June 2024, at least one cash withdrawal was made from Mr K's account, which amounted to £300 being withdrawn from his account daily. This includes the transaction made on 7 June 2024 where the money did not dispense. The withdrawals seem to have been made at various ATM's located some distance from where Mr K lives which Mr K maintains he never visited. And I note that in a few instances, the same ATM was used to make more than one of the withdrawals.

So, it's clear that a significant amount of effort would have been required by Mr K to make these ATM withdrawals himself, by travelling to these locations which he says he did not recognise. But with that said, given the timings of the withdrawals themselves - and that they seem to have been made on a daily basis – having reviewed this in detail, it's also not implausible for a person to have travelled to the various ATM locations and to have made these transactions possible.

Mr K says that he was told by staff branch, that on the day he made a cash withdrawal at the branch using his card and PIN, which was roughly at 12.15 pm, another ATM cash withdrawal was made some distance away at around 12.34 pm. And he could not have been in two places at around the same time when these places are miles apart.

I would agree that this possibility is rightly questionable for Mr K, and at first glance the times provided suggest that it was impossible for Mr K to be in two places at once. But as the disputed transactions were made in June, Greenwich Mean Time (GMT) would have been a consideration. This is because all ATM transactions are processed through shared networks provided by Visa, and Visa uses GMT as a standard time to allow for consistency across different time zones, transaction processing and daily cash withdrawal limits. This is different from counter withdrawals. So, the time of the ATM withdrawal would have in fact differed by an hour from that provided to Mr K. And based on the two locations in question, it subsequently would have allowed enough time for anyone who had possession of the card and PIN to have made both withdrawals.

I can see that Mr K has suggested that his card may have been 'cloned' and was being used for the purposes of fraud. He also states it was his prompt action in cancelling his card when the matter was brought to his attention, which helped prevent further withdrawal's being made on his account. But it's not generally thought possible to copy the chip on a card, and our service hasn't come across any cases where we felt this was a likely explanation of what happened. And I haven't seen any persuasive evidence this is what happened in this case. And when I consider this alongside what we know about the transaction that took place on Mr K's account on 7 June 2024, which was refunded, it's also likely for Mr K to have looked at his account at the time and noticed the ATM withdrawals that had previously taken place, including the withdrawal made only the day before, and to have then raised concerns sooner. But this is not what happened.

It's also difficult to find a plausible explanation for how it was possible for someone, that was unknown to Mr K, to have gained access to his card and PIN, used it, and then replaced it, without his knowledge or consent so he could make a withdrawal on 7 June 2024. And then to have taken it again to make further cash withdrawals at ATM's before returning it to Mr K without him noticing, so that he was able to make the subsequent cash withdrawal at the branch. It seems more likely that if this wasn't Mr K himself using the card, it would've needed to have been someone he knows, who could take and replace the card without him noticing. I'm always wary that just because there's no obvious point of compromise, that would mean the cardholder must have made the payments in dispute. But Mr K has made it said that no one he knows could do this, as no one knows his PIN.

Mr K has been clear that his card remained in his possession so having reviewed everything, whilst I appreciate what Mr K has said so far, I'm not persuaded that Halifax is being unreasonable in holding him liable for the transactions.

I have also considered whether Halifax should have picked up on the disputed cash withdrawals and intervened. But having reviewed the transactions themselves, and Mr K's previous account activity, I am satisfied that they would not have been flagged as being unusual for Mr K given the past activity seen on the account.

I am sorry to disappoint Mr K, I understand this will not be the outcome he was hoping for. I can also appreciate the upset this matter has caused Mr K, especially considering there being mention of it also happening a couple of months prior. But I can't see another plausible explanation and have to make my decision on what the evidence shows and so I can't fairly ask Halifax to refund these transactions to him.

Finally, I appreciate Mr K is unhappy with the time taken by Halifax to investigate the matter. I can see Halifax acknowledged Mr K's concerns and apologised for the degree of delay caused and I do think Halifax caused Mr K inconvenience in having to chase it for answers. I can see that Halifax apologised for its initial oversight and awarded Mr K with £100, and then later acknowledged it should have done more to assist Mr K sooner and made a further award of £100 in recognition of this.

I can also see that once Mr K reported the matter, his card was stopped so that subsequent ATM withdrawals were not successful. So, I don't think Halifax failed to act on Mr K's concerns once they became aware of what had happened. Having considered this, as I think this was fair and reasonable given the circumstances presented, I won't be asking Halifax to do anything more here.

I said I'd consider any further submissions made by either party – by the deadline set.

Responses to my provisional decision

Mr K responded with further points including what happened when he visited the Halifax branch.

In summary he said:

That he had never been told by Halifax that his claim was rejected because of similar withdrawals made on his account in April 2024, and that this only came to light much later in correspondence with our investigator.

Mr K says it also was not possible for someone to have made a cash withdrawal at the branch and then another ATM withdrawal in just over an hour – given the distance between the two locations and based on the amount of time a train journey would have likely taken. And he felt that the same applied to the ATM withdrawal made on 7 June 2024.

Mr K said it was not possible to say that a second card had not been cloned or otherwise obtained by a fraudster.

Although Mr K was unable to provide an explanation for how his PIN had been obtained, he felt it was possible that he may have used a tampered ATM at some point, and as a result of this, his card was possibly cloned, and his PIN was obtained by a third party.

Mr K said that withdrawals of this nature were never previously seen on his account and nor had he used the ATMs in question and would not know how to get to some of the ATM locations.

He also felt that the peculiar nature of the withdrawals ought to have raised concerns with Halifax.

Halifax responded to confirm Mr A held a savings account, and the card issued to the account was a cash card, which is not the same as a debit card. It said the card is designed solely for cash withdrawals and balance enquiries at ATMs, and it cannot be used for point-of-sale transactions or online purchases, and that all of the ATM withdrawals were processed using chip and PIN authentication and were successfully authorised.

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.

In doing so, I've thought carefully about everything both parties have said in their responses to my provisional decision, and I appreciate Mr K maintains he did not make the cash withdrawals he disputes.

I appreciate Mr K's further extensive submissions about what happened at the time, but I've focused on what I think are new points here. So, I won't be commenting on points raised which I have already addressed in my provisional decision. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome,

I can see that Mr K told our investigator he had previously raised concerns with Halifax about ATM withdrawals made on his account in April 2024. But our investigator said she was unable to look into these disputes as part of this complaint because there was no record of them being mentioned to Halifax and nor can I see that they had been raised in the initial complaint Mr K brought to the service; in any of the correspondence Mr K presented as evidence; or in the final response Halifax provided. So, this information was not considered material when reviewing the cash withdrawal disputes made in June 2024.

I note Mr K said it was his oversight that he had not mentioned this information to this service before, but considering there was only a gap of about a month between the withdrawals made in April 2024 and the withdrawals he disputes made in June 2024, I think it's reasonable to suggest that this would have been something that Mr K would have wanted to draw attention to sooner, with both this service and Halifax, if for no other reason but to support this complaint.

I have also reviewed what was said by all parties and can't see that it was implied anywhere that Halifax rejected Mr K's complaint due to what happened on his account in April 2024.

Having reviewed everything, as I've explained previously, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision, my findings still remain that I can't see another plausible explanation for how the cash withdrawals were possible without Mr K's authority. So, I can't reasonably ask Halifax to do any more here.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 February 2026.

Sukhdeep Judge
Ombudsman