

The complaint

Mr A complains that Bank of Scotland plc, trading as Halifax, closed his account and reversed a refund of payments he said were made without his permission.

What happened

Mr A had a basic bank account with Halifax. Between 31 December 2024 and 8 January 2025, someone made 13 payments from this account to a money transfer business. Added together, these payments came to £11,632. Mr A says he didn't make these payments – he says he was tricked into giving away his security credentials. At first, Halifax paid Mr A a refund. But after it completed its review, it said it didn't have enough evidence to show the payments were fraudulent – it believed the payments were genuine. It reversed the refund, leaving Mr A overdrawn – and decided to close his account. Unhappy about this, Mr A complained to Halifax and then referred the complaint to us.

An investigator looked at this. He thought it most likely that Mr A, or someone he'd allowed to use his device, made these payments. And he thought the closure of the account was fair.

Mr A doesn't agree. The complaint has been referred 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.

I don't uphold the complaint. I'll explain why.

Mr A can only be held responsible for payments from his account if he authorised them. This includes payments made by someone else if they used his account with his permission. Halifax needs to show Mr A gave his consent to these payments in line with the form and procedure agreed between him and Halifax.

Here, 13 payments were made from Mr A's account to a money transfer business. These payments took place between 31 December 2024 and 8 January 2025, and ranged from £500 to £1,682. Added together, the payments came to £11,632. We've asked Halifax how these payments were authorised. It says that the payments were initiated through a third party app, but Mr A needed to authorise each payment in the Halifax app. Based on what I've seen, I'm satisfied these payments were authorised in the Halifax app using Mr A's security credentials.

That doesn't necessarily mean that Mr A authorised these payments. I've thought about what Mr A has said about that: he says that a third party gained access to his account after tricking him into revealing his memorable information and password. Halifax, however, doesn't think there's enough evidence to show that the payments were fraudulent. Halifax has also submitted information about what happened which it has asked I treat in confidence. Our rules allow me to accept information in confidence – and I accept this

information is sensitive and cannot be shared with Mr A. I therefore need to decide what's most likely based on all the evidence I've seen.

Based on what I've seen, I don't find Mr A's explanation plausible or persuasive. I think it's most likely that these payments were either authorised by Mr A or were carried out by someone using the account with his permission. In particular, Mr A told Halifax that the fraudsters contacted him by phone between 15 and 17 December 2024 – and that they said there'd been unauthorised activity on his account and that it needed to be secured. Yet Mr A then transferred around £10,000 into the Halifax account from accounts he held elsewhere, and it was only after he'd completed these payments, around a week or so later, that the disputed transactions took place. The disputed transactions took place over 9 days. Mr A doesn't appear to have given a plausible explanation to Halifax about why he was transferring the funds into this account – his usual balance was rarely greater than £300. And I'd expect a fraudster to try and move the funds as quickly as possible, before they could be detected or the account secured. When I think about all of this alongside the confidential information I've received from Halifax, I'm not persuaded these transactions were unauthorised.

The terms and conditions that applied to this account say that Halifax could only close this account in certain circumstances. Given what I've said above I'm satisfied that Halifax was acting in line with the terms and conditions in closing this account. And while I recognise this has left Mr A overdrawn, Mr A was able to transfer the refund to his other accounts and so it's only fair that he now pay this money back.

Finally, Halifax has paid Mr A £300 to reflect poor service he received. In view of my findings above, I'm not going to tell Halifax to do more.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 March 2026.

Rebecca Hardman
Ombudsman