

complaint

Mr and Mrs D's complaint is that the service one of Bank of Scotland plc, trading as Halifax's ("Halifax") employees gave to them made them vulnerable to fraud.

background

In February 2017, Mr and Mrs D received a pop-up on their computer suggesting their email account had been compromised. They were very concerned, and took action to try to protect themselves. This included following some directions via the pop up, and entering information into the computer.

They also called Halifax, as they were concerned that their accounts there might be compromised. The staff member they spoke to advised them not to cancel their cards at the time, and provided two telephone numbers for Google, which is who he believed would be best placed to help Mr and Mrs D with their concerns.

So they called the number to speak to Google, and ended up in a very long call, during which they provided further secure information and attempted to pay £300 to have the computer problem resolved. Two attempts were made at this payment, but both declined, so Mrs D called Halifax again to find out what was happening. All the while, Mr D remained on the call to Google.

This time Mrs D spoke to another Halifax advisor, and told her about the ongoing call Mr D was having with Google, and their attempts to pay the £300 asked for. The advisor this time told them to end the call with Google immediately, as it sounded like a scam.

Mr D hung up on the call, but by this point had already given out a lot of personal secure information. He and Mrs D were outraged that the first Halifax advisor they'd spoken with had given them the number to call Google, therefore directing them straight into a fraudulent trap.

They believed the Halifax advisor was involved in the scam, and felt that Halifax should take full responsibility of all the consequences of what had happened to them.

They explained the time and money they'd had to spend trying to undo the damage that had been done to their personal financial security. This included work carried out on their computer, telephone calls, visits to the computer store, and ultimately a replacement computer.

They also sought compensation for the ordeal they'd been through, as well as for any potential future legal costs in the event that the information they'd been duped into providing would be used fraudulently.

Halifax apologised for the actions of its advisor, but didn't accept that he was part of a larger criminal enterprise to carry out the fraud. It was confident he'd genuinely been trying to help, but accepted that what he'd done in giving out the Google phone numbers was wrong, and had caused a great deal more problems.

Ultimately, after some discussion, Halifax agreed to offer a compensation package to Mr and Mrs D of the value of £763. This included £187 for computer repairs, £76 expenses, and £500 compensation.

But Mr and Mrs D didn't think this was enough. So they brought their complaint to our service.

Our adjudicator looked into matters, and concluded that what Halifax had offered was fair. However, taking into account Mr and Mrs D's understandable ongoing concerns about their security, he felt that this could be partly helped by Halifax paying for them to have protective CIFAS registration for two years. So he issued a view saying that Halifax should add the cost of this to their offer.

Mr and Mrs D still haven't accepted the offer, and Halifax believes what it's already suggested is fair.

So the complaint's come to me for a final decision.

my findings

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

Having done so, I think our adjudicator was right to suggest the resolution he did. So I'm going to ask Halifax to pay for the CIFAS registration in addition to the £763 it's offered. But I'm not going to direct any further increase on that amount.

I can entirely understand Mr and Mrs D's level of feeling about their complaint. At first reading, it was even hard for me to believe that a Halifax advisor gave them a phone number that took them directly to a fraudster.

I fully accept the upset and worry, and the time and costs incurred, in them trying to undo the damage that's been caused. And I also accept that no amount of remedial work is ever going to be able to fully restore their confidence in their own financial security.

This is a very unfortunate situation, and I can see why it would seem obvious to blame Halifax for all of it. However, I don't think that's entirely fair. I think the Halifax advisor's good intentions spectacularly backfired, but there's no evidence to suggest to me he was involved in the fraud. And I'm happy with what Halifax had said about the feedback and further training he's going to receive.

The fraud on Mr and Mrs D had already commenced before they first called Halifax. What happened thereafter was clearly and obviously made worse by what Halifax advised them to do. But that advice was to telephone Google only. While I can see why they felt it was appropriate, and necessary, for them then to divulge further information in that call, and attempt to pay the £300 asked for, I can't hold Halifax responsible for this.

It may seem like small comfort to them, but I was pleased to see that Mr and Mrs D didn't actually lose any money from their accounts as a result of what happened.

They've been in contact again in recent weeks to say they've received a further message on their computer, which they think is linked to all that's happened before. But we can't be certain of that. The computer they're using now is a new one, and has increased security. So it's difficult for me to link any further problems to the mistake made by Halifax in February.

My role is to decide what's a fair resolution to both parties in this complaint. And I think Halifax's existing offer is sufficient – on the basis that it agrees in addition to pay for the two-year protective CIFAS registration. I think this suggestion by our adjudicator was entirely sensible and appropriate, and I don't think it already forms part of the package Halifax is offering Mr and Mrs D.

my final decision

My final decision is that to resolve matters, Bank of Scotland plc, trading as Halifax, should now:-

- Pay Mr and Mrs D £763
- Pay also for a two-year protective registration with CIFAS.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 7 September 2017.

Ashley L B More
ombudsman