

The complaint

Mr S has complained that a member of staff at Bank of Scotland plc (trading as Halifax) accessed information about accounts that he has with the bank without permission.

What happened

In March 2023, Mr S received a text from Halifax asking him about the service he had received from one of its branches that it stated he had visited. Mr S had not, in fact, visited this branch. He travelled to the branch to explain that. Following an investigation by Halifax, it was established that a member of its staff had accessed Mr S's personal information held with the bank, without his permission. I understand that the staff member in question was a relative of Mr S's wife, who he was in the process of divorcing at this time.

Mr S complained to Halifax, questioning what information the staff member had looked at. In response Halifax apologised that Mr S's data had been accessed without his permission. It said its data privacy team was investigating this matter, but that it was not able to tell Mr S what action might be taken against the staff member. Halifax could not confirm what exact data had been accessed, but it told Mr S it could look at setting up additional security measures if he wanted to discuss this further. It sent a cheque for £500 as compensation.

Dissatisfied with Halifax's response, Mr S brought a complaint to this service.

Halifax confirmed to our investigator the date and time that Mr S's data had been accessed, but stated that it could not confirm which specific information was seen. The investigator considered it likely that the staff member would have been able to view all of Mr S's statements and accounts. He considered that Halifax should pay Mr S an increased compensation amount of £750.

Halifax responded that it agreed to pay Mr S a further £250, in addition to the £500 already offered. Mr S asked that an ombudsman review this complaint. He stated that the breaching of his data would significantly impact his divorce settlement, in particular in relation to determination of his assets.

The investigator responded that although it was clear that the data breach should not have occurred, his understanding was that financial records of both parties are often shared in divorce proceedings, and therefore much of Mr S's data may have had to be disclosed in those proceedings.

Mr S agreed that financial information does need to be shared when reaching a divorce settlement, but he commented that data held with a bank should remain private.

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.

Halifax accepts that there was a breach of data privacy in relation to the accounts that Mr S holds with it. My role in this complaint is to determine what represents fair compensation to reflect what occurred.

Mr S has pointed out that the financial information held about him by Halifax is likely to be relevant to determining what his assets are in relation to the divorce proceedings that he is involved in. I acknowledge what Mr S has said in this regard, but like the investigator, my view is that it seems likely a divorce settlement will require the parties to disclose key elements of their financial circumstances. That being the case, and based on the evidence provided, I am not persuaded that it has been shown that the unauthorised accessing of Mr S's Halifax accounts has caused a financial loss to him.

However, it is clear to me that Mr S has been caused a significant level of distress as a result of this incident. He has described how knowing that his data has been accessed has affected his piece of mind. The text Mr S received from Halifax regarding a visit to one of its branches that had not actually taken place would have initially raised his concern. I appreciate that discovering his data had been accessed by someone that he knew within the bank, but who had no authority to see this data, is likely to have caused him some alarm.

In determining what represents appropriate redress to reflect the distress that has been caused to Mr S, I am mindful of the awards this service has made in complaints with similar circumstances. As Mr S has said, an individual's data held with a bank should remain secure, and the unauthorised accessing of his data in this case should not have happened.

I have carefully considered Mr S's comments in this matter. Having done so, and having assessed the events that occurred in this case, my view is that the investigator's proposal that Halifax pay Mr S £750 compensation is a fair one, and that it takes into account the degree of upset that has been unnecessarily caused to Mr S. Although I appreciate that Mr S may be disappointed with my findings, my conclusion is that Halifax should be required to pay a total of £750 compensation to him.

My final decision

My final decision is that I uphold this complaint, and I require Bank of Scotland plc (trading as Halifax) to pay Mr S a total of £750 compensation to reflect distress caused to him (this amount includes the £500 that it previously offered to pay).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 February 2024.

John Swain

Ombudsman