

## **The complaint**

Mr P complains about his card and account being blocked by Bank of Scotland plc (“BOS”).

Mr P is being represented by a third party.

## **What happened**

Mr P is unhappy that BOS have been applying blocks and freezes to his account over several years. Mr P says this has caused him financial hardship and has meant the need to borrow money from his father. So, he logged a complaint with BOS.

BOS looked into the complaint but didn’t uphold it. It said Mr P’s payments had been declined for a number of reasons, but none were the fault of the bank. These ranged from not enough money in the account, to additional fraud checks. It did find it had taken too long to respond to the complaint, and it upheld this part and apologised.

Mr P remained unhappy, so he brought his complaint via his representative to our service.

Our investigator looked into the complaint but didn’t think it should be upheld. Our investigator listed all the blocked payments and the reasons why they had been stopped.

Our investigator found that since 2 December 2021, on Mr P’s first account there were a total of 5,444 transactions during this time. 4,978 of these were accepted and 466 were declined. On Mr P’s second account, he made 859 transactions during this same period. Of these, 719 were accepted and 140 were declined. Given the high volume of transactions and the reason for the blocks, our investigator didn’t find the number to be excessive or that the blocks were applied out of line with the terms of the account or unfairly.

Mr P and his representative didn’t agree with the investigator’s view, so the complaint’s been passed to me for 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.

Having done so, I’ve come to the same outcome as the investigator for largely the same reasons, I’ll explain why.

I’m very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focussed on what I think is the heart of the matter 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 point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

The starting point here is that the terms and conditions Mr P signed up to when he opened his account allow the bank to stop payments in a number of different circumstances. Our investigator has listed those circumstances in her view, so I won't list them all again here. Although our service doesn't usually tell a bank what it can and can't put in its terms and conditions, we can look into whether they've been applied correctly and fairly in the circumstances of the complaint.

Although the investigator has also already listed the transactions and the reason they declined, as this forms the main part of this complaint, I've listed them again below, so all parties are clear on information I've used to come to my decision.

It's worth noting that BOS have only been able to go back six months in the transactions it has declined reasons on. For the purpose of answering this complaint, in my view that's enough to understand the general issues and how the account is being managed. Having seen statements that go back much further than this, I expect the general decline reasons to be very similar and follow a similar pattern based on the account usage.

#### Account 1

- 89 transactions declined due to insufficient funds or a blocked Continuous Payment Authority
- 25 transactions declined due to fraud concerns
- 14 transactions declined due to daily transaction or withdrawal limit exceeded
- 4 transactions declined due to standard security checks
- 8 transactions declined due to incorrect CVV2 number entered
- 10 transactions declined due to wrong PIN entered on 3 consecutive occasions
- 3 transactions declined because the merchant hasn't submitted the payment for approval
- 1 transaction declined by VISA (external decline)
- 1 transaction declined due to card being expired

#### Account 2

- 52 transactions declined due to insufficient funds or a blocked Continuous Payment Authority
- 34 transactions declined due to fraud concerns
- 5 transactions declined due to daily transaction or withdrawal limit exceeded
- 3 transactions declined due to standard security checks
- 2 transactions declined due to incorrect CVV2 number entered

Having considered the above and each of the reasons given. I'm satisfied none of the payments were declined unfairly or out of line with the terms of Mr P's account. It's clear from Mr P's response to our investigators view that he doesn't appear to be disputing the

reasons mentioned above for the blocks, but more the inconvenience this causes when it happens and the impact it has on his mental health condition.

I've thought about this point carefully, but it doesn't change my decision. I'll explain why.

I'm sorry to hear Mr P is unwell and the blocks make his health condition worse, but I wouldn't expect BOS to bypass its security processes in these circumstances. I also wouldn't class this as a reasonable adjustment, as removing the security process of stopping and blocking payments when the bank has concerns would put Mr P at a greater risk of financial harm. If BOS were to remove the automated process, it would need to have a banking advisor dedicated to checking each one of Mr P's payments in real time and this isn't something I would expect the bank to put in place. The bank is also unable to do anything about Mr P having insufficient funds in the account and these form the bulk of the blocked payments.

BOS have said one of the main reasons the payments get declined is due to its fraud prevention system. I'm very aware of how this system works and I understand from looking at Mr P's banks statements and spending why the system would be picking up certain payments frequently for further checks. It's not for this service to dictate how BOS configures its fraud protection systems. It does have a difficult balance to strike in how it does this to enable it to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud, and there is a delicate balance to be struck between that and the millions of legitimate payments its makes each day.

Mr P is making a high number of transactions most days, and these are mainly to online gambling websites and online competitions – these would be classed as high-risk retailers by banks due the level of fraud and scams associated with them and the risk of financial harm. The range of payments go from very small to very large, are made at a high frequency and it often takes Mr P's balance down to zero. These are also all characteristics of someone who is being scammed or has had their account taken over by fraudsters. Although Mr P hasn't raised any concerns over being at risk of financial harm from scammers and it's not something I've investigated as part of this complaint, from what I can see, the fraud prevention system is working as it should be at BOS and flagging certain payments when it has concerns for additional checks.

Mr P has asked that automatic blocking be removed from his account. As I've mentioned above, our service wouldn't usually get involved in the security prevent systems the bank uses and having considered the request, I also don't agree it would be beneficial to Mr P. If the additional checks are impacting Mr P's health as he says they are, he could consider reducing the value and frequency of the payments being made and limit sending money to the high-risk retailers I've mentioned above. Although this doesn't guarantee to reduce the blocked payments, it's more likely than not going to. It's also worth noting that Mr P has decided to move his money to another bank – so this is a discussion he will now have to have with them.

Mr P could also consider setting up a third party on his account to deal with his everyday banking. This will mean someone else is able to support him with the fraud checks when they happen and can also monitor the account balance to ensure there are available funds when making purchases.

Mr P's representative has focussed a lot on a payment he makes monthly into Mr P's account and that this often raises concerns at the bank. Having considered this, I'm not convinced that this in isolation would be a concern for the bank. But when you look at the large amount coming in each month and then the spending behaviour of Mr P and the account, this is most likely what cases the bank concern. It's not clear why the payment is

sent to Mr P before it gets sent on to the intended beneficiary, but Mr P's representative may want to consider sending it direct to prevent any further disruption.

I understand Mr P has requested to move his banking and funds elsewhere and has concerns over how long this is taking. But this doesn't appear to be part of the complaint considered by BOS and was only raised by Mr P more recently, so I'm not going to make findings on this in this decision. This is something that will need to be directed back to BOS for it to investigate and provide a response on.

Mr P's representative has mentioned throughout his complaint the financial burden it puts on him when the account gets blocked, as he has to lend Mr P money. As I can only look at the impact on the eligible complainant in this complaint, Mr P, the impact on the representative is not something I have or can consider.

In summary and taking everything into consideration, although I know this will come as a huge disappointment to Mr P and his representative, I don't uphold this complaint. I've looked through all of the information supplied by both parties in detail and I haven't found BOS have acted outside of the terms of the account or treated Mr P unfairly when they have stopped or blocked payments.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 February 2024.

Tom Wagstaff  
**Ombudsman**