

## **The complaint**

Mr S complains that when he visited a branch of Bank of Scotland plc, trading as Halifax, he was asked what the funds were for that he was withdrawing. He thought this was a breach of confidentiality and was none of the bank's business.

## **What happened**

Mr S wanted to take out £7,500 from his bank account and went to a branch. He said the branch staff asked him what he wanted to do with the money. Mr S was unhappy about this question as he thinks the bank does not need to know what he does with his money. Mr S complained to Halifax and said he would like an apology and compensation.

Halifax said that as Mr S's intended cash withdrawal was for more than the un-booked, over the counter limit of £2,500 that it sets, an order was placed on 13 October 2023 to allow the withdrawal of £7,500 on 16 October 2023.

Halifax responded to Mr S's complaint to say that as part of its internal security processes, it may ask questions regarding cash withdrawals. Halifax said this helps identify possible fraud or may help to protect a customer from getting coerced or scammed.

Halifax said such questions also allow it to have a duty of care and to comply with money laundering legislation. Halifax said it realises its procedures may cause some inconvenience, but its first responsibility is to safeguard customer accounts and its long-term experience has proved that it must take these steps to protect its customers.

Mr S wasn't satisfied with this response and referred his complaint to our service. Our investigator didn't recommend that the complaint be upheld. He said Halifax has a duty of care and is required to ask relevant questions when high value withdrawals are made. This is to protect the bank and its customers from any potential financial harm and to adhere to the regulatory requirements.

Mr S disagreed with the investigator and requested an ombudsman review his complaint.

## **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 was sorry to learn that Mr S took offence at Halifax's question about his purpose for the money he was withdrawing from his account. Mr S has explained the purpose and I am truly sorry about his loss. Mr S has mentioned other evidence in support of his complaint, but I am satisfied that I have seen everything available and what is required for me to reach a decision.

I can see from Halifax's records that it places a limit on unchecked over the counter cash withdrawals so as to apply protections where large amounts of cash are involved. For this reason an order was required for Mr S's large cash withdrawal, and this is the process we expect Halifax to follow.

When Mr S went to the branch to make the withdrawal, the branch staff asked him a number of questions relating to the withdrawal. I can see that Mr S regarded this as intrusive and

unwelcome and none of the bank's business. However, the amount he was withdrawing was classed as a 'High Value' transaction by Halifax, and it has a process in place for its staff to follow in these circumstances.

Halifax sets out questions to be asked of customers so that staff can be satisfied that their customer is not falling prey to a scam or coercive behaviour. Once the customer has responded to show the purpose of the cash then the transaction can be completed.

If this was a regular transaction carried out by Mr S I would think that repeated questioning by staff would likely be unjustified, however no other cash withdrawals of similar value were made by Mr S in the year before his withdrawal. The investigator is correct to say that many people have been scammed into withdrawing funds from their accounts for 'protection' only to have the funds stolen or to become a victim of fraud. For this reason there are regulatory requirements on banks to act in exactly the way Halifax has towards Mr S.

The regulations are reflected in Halifax's terms and conditions for the account. They set out the responsibility on Halifax to be cognisant of the indicators that might mean a customer may be at risk of financial harm or abuse. The terms and conditions of the account allow Halifax to refuse a withdrawal if it's unusual and/or they reasonably believe there may be a risk to the customer or the bank.

Mr S was withdrawing a lot of cash and from what I have seen Halifax acted fairly and within the terms and conditions of Mr S's account in asking him questions, and in accordance with the regulations governing the prevention of crime. I think as Halifax has acted in order to protect Mr S in response to an unusual and uncharacteristic cash withdrawal it has acted properly and treated him fairly.

I note that Mr S has said he is considering legal action. If he rejects this decision all options remain open to him.

### **My final decision**

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 August 2024.

Andrew Fraser  
**Ombudsman**