

The complaint

Mr Q complains that Bank of Scotland plc trading as Halifax wouldn't allow him to deposit cash into his account at the branch counter.

He says he realised the cash was no longer with him whilst still in branch and wants Halifax to credit him the money, as well as compensation for the distress the situation has caused him.

What happened

In April 2023, Mr Q went into branch. He explains he wanted to deposit almost £3,000 in cash into his account. Mr Q had made a similar transaction in branch the day before. He says that the cashier took the money from him, then said they could not pay it into his account due to concerns about fraud.

Mr Q recalls he was told by the cashier that he needed to step aside and download the bank's app on his mobile phone so that he could obtain the PIN for his bank card. Mr Q says the download didn't work. He explains he went back to the counter to ask for further assistance, then realised the money was missing.

Mr Q asked the bank to investigate. He said he only wanted to pay money in and not transfer it. He explained that he's been going through a difficult time in his personal life and losing this money in this way had negatively impacted his mental health. The bank's advisor told Mr Q they would request CCTV as part of the investigation.

In its final response letter, Halifax declined the complaint. It said it had been unable to accept the deposit because it could not verify Mr Q or the source of the funds. Halifax said Mr Q had left the branch, but returned a short time later looking for the cash. Halifax said it had searched the branch and checked the cash that day and no errors had been found. It said it was unable to review the CCTV from the branch and suggested that Mr Q should contact the Police if he believes a crime has taken place.

Unhappy with Halifax's response, Mr Q asked us to look into things. He said the bank did not ask him to verify himself and did not give him any advice on how he could do this. He said the bank's final response letter was incorrect because he did not leave the bank's premises at the time of the incident.

Our Adjudicator didn't uphold the complaint. They said the cashier was following the bank's processes and could not take the money from Mr Q until he'd been properly identified. They concluded it was unlikely the money was taken from Mr Q by the cashier.

Mr Q didn't agree. He pointed out that the bank had previously allowed him to deposit close to the same amount under similar circumstances. He said that he had his passport with him on the day of the incident as well as his bank card, so it wasn't right for the bank to say he didn't provide any official documents.

Mr Q explained the whole incident has made him anxious. He'd asked for someone from the branch to accompany him to the Police, but was told that he needed to report it to the Financial Ombudsman Service. He said he was not told he needed to report the matter to the Police for the bank to be able to view the CCTV footage as part of its investigation. Mr Q said the cashier did initially take the money from him but in the presence of the manager and those around the cashier insisted they had given the money back when asking him to leave the queue. Mr Q strongly disputes this happened. As no agreement could be reached, the complaint was referred to me.

I issued a provisional decision to both sides last month. Although I didn't recommend that Halifax should refund the money Mr Q has lost, I thought the bank had given him incorrect information which had caused him some distress, so I recommended it should compensate him for that. An extract from my provisional decision is included below:

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

I have summarised the matter in my own words and in less detail than has been provided. No discourtesy is intended by this as it enables me to focus on the key issues of this complaint and its surrounding investigation.

One of the difficulties in this case is it's not clear exactly what happened or how it happened. Both sides agree that Mr Q went into the branch on the day in question and that he had an interaction at the counter, but both parties have differing recollections of exactly how that interaction unfolded. Mr Q does not remember the cashier giving the money back to him and says he did not leave the branch at any time during this incident. He places responsibility for the loss of the funds on the cashier's refusal to accept them for deposit, inferring that either the cashier stole the money or that someone else in the branch did. He says that the money was lost as a result of the negligence of the cashier. Halifax says Mr Q was angry when the cashier couldn't make the transaction for him and swiped all of his items on the counter back into his bag, including the money.

Where the evidence is incomplete, inconclusive or contradictory (as it is here), I must reach my findings on balance – in other words, what I consider is more likely than not to have happened in the light of the available evidence and the wider circumstances.

I accept that this is a finely balanced case. Both parties have theories about what happened. I won't be able to say exactly what happened to the money. But I don't consider the available evidence sufficiently supports the position that Halifax has lost or taken Mr Q's money.

Mr Q feels strongly that the cashier has made a mistake by not accepting the deposit when he first approached the counter. He's pointed out that he made a similar transaction in branch the previous day without any issues to support this. But there's no dispute that the cashier consulted a more senior colleague at the time. This means that the cashier was following the bank's processes and procedures. It's for the bank to decide on its processes and I am unable to fairly say that the cashier acted incorrectly when following the guidance they were given by the branch manager. Both parties broadly agree that Mr Q was asked to

step aside and download his mobile banking app, so I've now turned to consider what happened when Mr Q alerted the staff that he no longer had his money.

Halifax has said there were no cash discrepancies in the branch that day. If the cashier had taken Mr Q's money from him at the start of the intended transaction and not returned it, the branch would have had too much money at the end of the day. I don't think it's most likely that the cashier stole the money either. It's clear from what both sides have said that a

manager was present, and Mr Q recollects the cashier consulted with them when he tried to pay the funds in. It would be very bold of the cashier to decide to seize an opportunity to take those funds, especially when their manager is aware that there's a problem with the transaction. Halifax has also confirmed that it undertook a thorough search of the branch to look for the missing money, but nothing was found.

Mr Q is concerned that CCTV footage was not obtained as part of the investigation. The bank has said that the CCTV from that day is no longer available. That is not surprising, given the number of months that have now passed. But I can appreciate Mr Q's position that the footage would have been available at the time he raised his concerns, and I can see why he feels there's been a lack of transparency on Halifax's part now this footage has gone.

Having listened to the phone call Mr Q had with the bank when he made his complaint, I agree that the bank's advisor told him the footage would be requested and viewed when the bank looked into things. This was not the case, and this incorrect information about the process did cause Mr Q some distress when it came to light. But I am also mindful that Halifax told Mr Q about the need to involve the Police to access the CCTV when it spoke to him on 3 May 2023. Mr Q did not do so. He said that his issue was with the bank, and it would be too stressful to go to the Police. This was Mr Q's choice to make, but it does mean that Halifax is not fully responsible for the lost opportunity to try and obtain the footage before it was deleted.

Overall

I don't doubt that not having this money has been very hard for Mr Q. This is a lot of money for anyone to lose and I do understand why he wants to do all that he can to try and get it back. But, for the reasons I've explained, I can't be as sure as I would need to be that Mr Q's money was lost whilst in Halifax's control. This means I cannot fairly and reasonably say that Halifax is responsible for reimbursing the money.

I do think Halifax handled the issue of the CCTV footage poorly. It gave Mr Q the wrong information and this has caused him some distress. The CCTV might well have cleared up what happened that day, but I can't draw any conclusions from it not being available.

Whilst I anticipate that my position will not go far enough for Mr Q, I am currently minded to say Halifax should pay Mr Q £100 compensation for the distress it caused him by the way it handled his request for the CCTV to be included in its investigation.

Halifax responded to say it accepted the provisional decision.

Mr Q didn't agree and said Halifax should have to repay the money lost. In summary, he said that Halifax could have solved the case by obtaining the CCTV but instead didn't make any effort to establish the truth or to trace or recover the money. He thought the bank should have taken the matter more seriously. He pointed out that he didn't leave the branch premises and that he'd told Halifax this, but the bank didn't correct its records. He said that the money wouldn't have been lost at all if the cashier had accepted his documentation which included his pay slip, bank statement, work ID, passport and residence permit. He said that there was no way for him to know how long a bank keeps CCTV for, but Halifax did and it should have told him as it was too late by the time he contacted the Police. Mr Q explained that his mental health has suffered considerably as a result of this situation and that the outcome proposed is extremely unfair.

As both parties have now responded, I have considered the case again.

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'm afraid I'm going to have to disappoint Mr Q. I've thought carefully about everything he's said in response to my provisional decision, and I was sorry to read how this matter has affected him. Losing this amount of money and now reaching the end of this complaints process is a difficult message to both give and to receive.

Whilst I appreciate Mr Q's strong belief that he lost his funds at the branch that day and that Halifax is responsible, I'm unable to support his complaint based on an objective review of the available evidence. I still don't consider the available evidence sufficiently supports the position that it's more likely than not Halifax has lost or taken Mr Q's money.

If Mr Q's cash had been retained at the counter, there would have been too much money when the branch cashed up. But Halifax's investigation didn't uncover any cash discrepancy in the branch that day and no money was found when the branch was searched. I remain unpersuaded that a staff member has taken a risk and stolen the funds, especially when a manager was involved in the situation. I also don't think Halifax are at fault by not accepting Mr Q's deposit when he first approached the counter. As I explained in my provisional decision, I don't agree the cashier acted unfairly or incorrectly when they were following the process and instructions given by a senior colleague.

I agree that Halifax should have handled the situation with the CCTV much better than it did. This is why I awarded compensation for the distress and inconvenience for the CCTV not being available to be considered as part of any wider investigation into this matter. But I can't draw the conclusions Mr Q wants me to on the basis that the CCTV isn't available. We can't know if things would be any different if the CCTV had been available, or that the footage would have resulted in Mr Q being able to get the money back. Although I recognise Mr Q's strength of feeling, I've not seen enough to be as sure as I would need to be that the bank or its staff were responsible for the loss of the money. This is why I cannot fairly say that Halifax should have to cover the loss Mr Q has suffered.

Putting things right

In all the circumstances, and for the reasons set out in my provisional decision and reproduced above, I still think an award of £100 compensation for the poor way it handled the situation with the CCTV is fair and reasonable.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax should pay £100 compensation to Mr Q.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 21 March 2024.

Claire Marsh
Ombudsman