

The complaint

Mrs C complains about how Bank of Scotland plc trading as Halifax treated her when they declined various debit transactions which she attempted to make from her account with them including internal transfers.

What happened

During 2023, Mrs C attempted to make various purchases using funds from her Halifax account. They were attempted online and included medical supplies and an investment opportunity. Mrs C also attempted a larger purchase of a mobile home, plans for which she informed her local branch of in advance.

Halifax refused a significant number of these transactions due to security and fraud concerns so Mrs C made contact with them via telephone and branch. She explained several consequences of not being able to make these purchases including how it affected a health condition, her inability to pursue a project, and not being able to support a friend. In terms of the internal transfer issue, this caused an account to be unnecessarily overdrawn.

As a result, Mrs C logged a complaint in December 2023 which Halifax responded to but declined. They said they were protecting Mrs C as some payments were flagged as suspicious therefore, they were blocked. They went on to say that they appreciated Mrs C's frustrations but they were acting with the best of intentions. Halifax closed the letter confirming blocks still existed and Mrs C needed to contact their security team to remove them.

Dissatisfied, Mrs C brought her complaint to our service. After investigation, our investigator didn't think that Halifax needed to take any further action. They addressed each point that Mrs C raised, summarising by saying Halifax's actions were within their terms and conditions and, that they acted in Mrs C's best interests by applying their duty of care.

Mrs C disagreed with this outcome and requested an ombudsman review her 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've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, and while I recognise this will come as a disappointment to Mrs C, I have decided not to uphold complaint for broadly the same reasons as the investigator.

If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. Mrs C has sent a significant amount of information to this service for which I'm grateful, but I have focused my decision on the key points.

Firstly, I wanted to address Mrs C's concern that Halifax had prevented her from moving money between her accounts with them. I've seen bank statements and evidence from Halifax which shows that internal transfers were made successfully within the period in question, so I can't address this point.

Turning to the transactions that were declined, as has been stated, Halifax has a duty of care to Mrs C to protect the account and her funds; one of the ways it does this is via anti-fraud measures. Halifax are entitled to have systems in place which monitor payments against several different factors and will flag any payment which involves a number of these factors for additional checks. And Halifax's terms and conditions do reference this. It's imperative that they then speak to the customer to ensure the payment is being completed by the genuine customer for a genuine reason. Once this is established, a decision can be made.

It's key that communication is made when a transaction is refused and from what I can see, this didn't happen each time a transaction was flagged. To that end, it may be of benefit if Mrs C makes contact with Halifax again. In this conversation, she could explain more about her spending patterns and requirements and equally, Halifax could help Mrs C understand their processes – although I respect that they will not be able to go into detail about them for security reasons.

Connected to this, I'm aware of another complaint that Mrs C raised with Halifax after this one, under a different Halifax complaint reference number pertaining to a branch. As this appears to have been resolved by Halifax and hasn't been referred to our service, I can't consider any aspects of it.

To conclude, I'm sorry that the consequences of Halifax's security processes caused inconvenience, worry and missed opportunities and I know Mrs C feels strongly about this. Taking into account all the evidence, I do feel that Halifax were within their rights to invoke these processes.

While Mrs C is likely to be unhappy with my decision, taking everything into account, I can't find Halifax have made any errors and I believe they have acted fairly and reasonably in their actions.

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 Mrs C to accept or reject my decision before 1 August 2024.

Chris Blamires
Ombudsman