

The complaint

Mr D complains on behalf of Miss D that Bank of Scotland plc trading as Halifax ("Halifax") refused a cheque payment from Miss D's account on four occasions to cover her care home fees.

What happened

Miss D holds an account with Halifax. Mr D holds a registered lasting power of attorney (LPA) for Miss D's property affairs including her account with Halifax which allows him to take certain actions on Miss D's behalf.

Mr D attempted to pay for Miss D's care home fees amounting to over £5,000 by cheque four times between 7 September 2023 and 15 September 2023. On each occasion the cheque was presented and then returned.

Halifax say due to the value of the cheque it meant that the payment was flagged for further security checks. It says for the first three cheques presented that it tried to call Mr D to verify the payment but the calls went unanswered and so was unable to do this and as it hadn't received the requisite authority the cheques weren't paid.

Halifax say the fourth time the cheque went unpaid was due to suspected fraud and so blocks were placed on the account on 27 September. Halifax wrote to Miss D about this and asked her to get in touch.

Mr D was able to pay Miss D's care home fees by faster payment on 26 September and due to the issues Mr D has experienced with cheques he has been paying it mostly that way ever since.

Mr D raised a complaint about this with Halifax. Mr D says the problems he's experienced with paying Miss D's care home fees have affected his credibility and put her placement at the care home at risk and he's had to spend a significant amount of time sorting this out making numerous phone calls and attending a Halifax branch. Mr D wants to be re-imbursed for a month's care home fees and costs of £1,500 he's suffered for the distress and inconvenience.

Halifax didn't uphold the complaint as says it didn't make a mistake in the actions it took as the cheque was stopped for security reasons due to the amount and advised that it may not be able to stop these security checks happening in the future. As a gesture of goodwill it paid Mr D £30.

Mr D was dissatisfied with this, he says if Halifax had looked at the account activity it would've seen that payments for the same amount and payee and that Halifax didn't try hard enough to get hold of him to verify the payment – no messages were left nor were there any emails. Mr D brought his complaint to this service.

One of our investigator's looked into Mr D's concerns but didn't think that Halifax had made a mistake when it didn't pay the cheques as they were stopped for legitimate reasons and

although Mr D has been inconvenienced by all of this, as he is not the account holder – rather he is acting on Miss D's behalf under a power of attorney – and isn't eligible to complain under our rules and therefore we can't compensate him personally had Halifax done something wrong.

Mr D disagreed and has asked for an ombudsman's 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.

I hope that Mr D won't take it as a discourtesy that I've condensed his complaint in the way that I have. It is very clear to me the strength of Mr D's feelings about the matter and I don't want Mr D to think that I've trivialised the experience he's had. But ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

Firstly, I have to be clear that I can't look at the impact Halifax's actions have had on Mr D personally. As our investigator has already explained, this is because I can only look at how Halifax's actions have affected the account holder - Miss D – as she is the eligible complainant. So although I accept Mr D may have been inconvenienced by Halifax's actions I can't look at compensating him personally for this if I found that Halifax had done something wrong or treated him unfairly. Fortunately, I've not seen anything to suggest Miss D has been impacted directly financially or otherwise.

I should also explain that as we are not the regulator, I don't have the power to tell Halifax how it needs to run its business and I can't make Halifax change its systems or processes – such as how or when security checks are made or restrictions applied to an account for fraud prevention. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

That said I don't think it is unreasonable for Halifax to have processes and tools in place for protecting its customers when potential activity on an account is flagged for a security check. In this case due to the amount of the cheque presented for payment Halifax blocked the payment until it could verify it was legitimate. Unfortunately, Halifax wasn't able to verify the payment and so in order to safeguard Miss D's account refused the cheque and then following the cheque being presented a further three times applied restrictions to the account until Mr D got in touch.

I sympathise with Mr D as he has been both distressed and inconvenienced by this when all he was trying to do was a selfless act in paying Miss D's care home fees and carrying out his duties as her attorney. But ultimately Halifax hasn't made an error here, by flagging the cheque for a security check it too was carrying out its duty in safeguarding its customers affairs.

Furthermore, I don't think Halifax acted unreasonably or did anything wrong in applying restrictions to Miss D's account following not being able to verify the cheque payment. Given the amount involved and Miss D's vulnerability, I think the actions taken by Halifax were reasonable until it could be satisfied the activity on the account was legitimate and in the best interests of Miss D.

I appreciate this is most unsatisfactory especially as I can't say further transactions or payments Mr D tries to make regarding Miss D's account won't suffer the same security checks. But the actions Halifax took is in-line with its regulatory obligations and ultimately, it

took this action to protect Miss D's interests, so I don't think Halifax have acted unreasonably here. And so it follows that I don't uphold this complaint.

My final decision

For the reasons I've explained, I've decided not to uphold Mr D's complaint on behalf of Miss D against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 June 2024.

Caroline Davies
Ombudsman