

## **The complaint**

Mr D is unhappy that Bank of Scotland plc trading as Halifax closed his account. He would like his funds in the account and compensation.

## **What happened**

Mr D had an account with Halifax.

Halifax received notification that their customer was deceased, and they released the funds in the account to the next of kin and closed the account. Later Mr D contacted Halifax to clarify the situation.

Halifax asked Mr D for information to show his identity. Mr D provided a number of documents. Halifax were unhappy with the documents provided as there were discrepancies in these. Halifax didn't allow Mr D access to the funds in the account.

Mr D was unhappy with Halifax's decision, so he complained to our service.

One of our investigators looked into things. She thought Halifax was right to request the documents that they had and as there were concerns about the discrepancy in those documents Halifax was right to deny Mr D access to the funds in the account.

Mr D was unhappy with the view. As there was no agreement the matter has come to me to decide.

## **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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr D and Halifax have said before reaching my decision.

This is an unusual situation; Halifax closed the accounts as it received information and documentation to show that the account holder Mr D had passed away. Halifax have agreed they shouldn't have released the funds to the next of kin who sent the documents.

Mr D has subsequently contacted Halifax. He has said that he would like access to the funds in his account. Halifax have agreed they shouldn't have released the funds to the next of kin. Halifax like other financial businesses is subject to UK legislation which places extensive

obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. Financial institutions like Halifax must also satisfy themselves of the identity of their customers. This applies to both new and existing relationships. These obligations override all other obligations.

Halifax have asked Mr D to provide documents relating to his identity in view of the situation here. They are perfectly entitled to do so, and I would expect them to ask for these documents. I don't think they have treated Mr D unfairly by asking for this information.

Mr D has provided Halifax with documents relating to his identity. Having reviewed the documents Halifax isn't satisfied because of discrepancies in the documents provided. I have looked at the documents myself and I can understand why Halifax has concerns. Halifax is responsible for safeguarding their customers money and in asking for the documents and considering what has been supplied I would expect them to request further clarification to verify Mr D's identity. I don't think they are acting unfairly here.

I am satisfied that Halifax are entitled to deny Mr D access to the funds in the account until Halifax are able to ascertain Mr D's identity and therefore establish his entitlement to the funds in his account. I'm satisfied they are not acting unfairly, and I won't be asking them to do anything else here.

### **My final decision**

For the reasons stated above I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 8 September 2023.

Esperanza Fuentes  
**Ombudsman**