

## **The complaint**

In the course of obtaining information about his share dealing account, Mr W has complained Halifax Share Dealing Limited's (HSDL) secure messaging system is unfit for purpose and inconsistent with the firm's other electronic communications.

## **What happened**

Mr W has a share dealing account with HSDL. He received an email which appeared to originate from HSDL's parent company, notifying him of a secure message he'd been sent by HSDL. It told him that in order to view the secure message, he'd need to arrange a passphrase by following a link in the email.

Mr W was immediately suspicious of the email. It was out of step with other communications he'd received in the past. Previous messages had come from a different email address, didn't require him to set up a passphrase, and partially shared his postcode as an assurance the messages were genuine. Mr W contacted HSDL to establish whether the message was genuine.

On hearing from him, HSDL assured Mr W that the message was genuine, and that it was a requirement of using its secure messaging service that he set up an online passcode. Mr W was unhappy however. The irregular format of the email had worried him that he was at risk of fraud. And he was particularly concerned that creating a new passcode, via a link in an email, had too much in common with known email-based scams for it to be relied upon as a reasonable means of establishing secure communications.

HSDL apologised to Mr W for having given him cause to complain, but it insisted that its process for setting up a passcode was correctly observed. As he remained unhappy with its response, Mr W referred his complaint to our service.

Our investigator didn't uphold Mr W's complaint. They weren't persuaded HSDL was treating Mr W unfairly by arranging its messaging system in this way. They were satisfied this was a matter for HSDL's own commercial judgement. As Mr W didn't accept our investigator's findings, the matter's been referred to me.

## **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.

HSDL's process for sharing bespoke messages with Mr W, is to do so via its secure messaging system. The firm has decided that a necessary part of using that system is, in the first instance, to impose a requirement upon Mr W to establish a passcode that allows him secure access to his messages.

HSDL has an obligation to arrange adequate protection for the assets it safeguards and administers on Mr W's behalf. But there are no rules or laws which set a precise standard for what a secure messaging system like HSDL's should look or function like. I'm therefore

satisfied that the terms of use and the general functionality of this system are broadly matters for HSDL's commercial judgement.

On the face of it, I'm not persuaded it's unfair or unreasonable of HSDL to impose this requirement on Mr W.

I appreciate that from his perspective, Mr W has likened the process of arranging a passcode via a click-through link, to features seen in common email scams. He's said receiving the email instructing him to arrange a passcode made him feel anxious.

In this case, I accept that Mr W has acted with due diligence, which feels profoundly sensible given the prevalence of online scams. But I'm not persuaded HSDL has treated him unfairly. I can see that where he sought to verify the authenticity of the email, HSDL responded reasonably promptly to offer its assurances the message was genuine. The firm also apologised to him in its final response and assured him it was not HSDL's intention to cause him any difficulties. I'm therefore satisfied that HSDL has treated Mr W fairly, where its requirement for a passcode is concerned.

Mr W has also questioned what he perceives to be an inconsistency between emails he receives from "Halifax" and the email he received from HSDL's parent company which prompted him to arrange a passcode. In particular, he's highlighted a communication he received which says "*Halifax will never send you an email that asks for your sign-in details, or for you to click on a link to sign-in*". The same message also assures Mr W that all genuine Halifax emails will have certain features which weren't present in the passcode email his complaint focusses on.

I think it's important at this point to distinguish between "Halifax", who it seems Mr W might also bank with, and who are the originators of the email above, and HSDL, a separate legal entity, part of the same banking group, which is the subject of his complaint in this case. Based on his submissions, it appears that Halifax and HSDL operate slightly different processes for communicating electronically with Mr W. Halifax has clearly outlined the standards it will adhere to whilst doing so. And as per the message he received from HSDL's parent company, it seems HSDL employs a different standard.

I can appreciate that, where the two firms share the name Halifax, this may initially have been a source of confusion. But I'm satisfied that, in responding to his complaint, HSDL has clearly asserted what its process for communicating with Mr W will entail. And as above, I'm satisfied that process is a fair one, mindful of HSDL's obligations to Mr W as its customer.

For the reasons given above, I do not uphold Mr W's complaint.

### **My final decision**

My final decision is that I do not uphold Mr W's complaint about Halifax Share Dealing Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 September 2023.

Marcus Moore  
**Ombudsman**