

The complaint

Mr W complains that Bank of Scotland plc (trading as “Halifax”) didn’t allow faster payments to go through and blocked his online banking. He says he had to phone Halifax several times before the payments were released and his online banking was unblocked.

What happened

In July 2022 Mr W attempted to transfer the money held across several accounts with Halifax to another bank. He says he’d seen in the press that Halifax had introduced the option for its staff to add pronouns to their name tags. Mr W disagreed with the policy, so he decided to move his money elsewhere.

Initially Mr W was able to move some money via online banking, but at a certain point Halifax refused a transfer and later blocked his online banking (following a further large payment attempt). A message prompted Mr W to call in to discuss the matter – which he did.

The conversation lasted around an hour, with the agent querying why the transfers were being made. Mr W became frustrated with the security questions, and initially refused to answer some – but eventually the checks were completed, and the transfer was released.

Halifax explained that the pattern and value of the transactions had been flagged by its system as suspicious and out of character, when compared with the usual account activity. The agent also added she couldn’t guarantee the system wouldn’t screen further payments for a check, but said that now Mr W had gone through security that was less likely.

Mr W complained about the blocks, and raised that he’d had no trouble transferring funds in – but it wasn’t acceptable that Halifax was preventing him from easily moving his money. He wanted a separate complaint raised for every account he held, and explained that our service would charge a fee for each one referred. But Halifax said that as his concerns were about one issue (the security measures in place) it would only set up one complaint.

Mr W also tried to downgrade his accounts during the call, but the helpline that could assist with that had closed for the day. A separate complaint has been referred to us about the difficulty Mr W had in changing his accounts from fee-paying ones to current accounts.

Following that conversation it seems further transfers weren’t able to go through. Mr W attempted to speak to Halifax twice that evening – but both calls were cut off after long waits. In the morning, Mr W spoke to the bank across several calls. He didn’t have the required information to pass the security questions during some of them – so had to ring back. But eventually the remaining transfers were able to be made.

Mr W raised a separate complaint about the service provided by Halifax during the calls the following morning and the amount of security questions the bank required. That’s being considered by our service under a different reference.

In response to the complaint Halifax said it had taken the step to allow pronouns to be added to staff name badges to support colleagues to be themselves and feel included – as well as

to avoid accidental misgendering. In relation to the trouble Mr W had transferring funds out of his accounts, Halifax apologised and offered a total of £95 compensation. The bank said security checks are necessary to protect its customers, but it shouldn't have required that many calls to complete the transactions. It also acknowledged there were long wait times to get through on the phone – so offered £20 towards call costs, and £75 for the inconvenience caused.

Unhappy with the response, Mr W referred his concerns to our service for review. One of our investigators thought the compensation amount was fair, and Mr W replied to say he would now accept the offer. We let Halifax know, but that was missed by the bank and settlement wasn't paid. Subsequently Mr W asked for an ombudsman to reconsider the matter, in light of the delay in paying him. So the complaint was passed to me for a final 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 should start by saying the provisions Halifax puts in place to support its staff aren't something I have the power to comment on. The bank is free to make such changes, within the confines of the law, just as Mr W is free to disagree with those policies and to take his business elsewhere. What I've considered is whether Halifax treated Mr W fairly once he'd decided to do that, and attempted to transfer his money out of his accounts. Having reviewed everything, I agree there were some service failings – but I find that Halifax's apology and compensation offer sufficiently resolves the complaint. I've explained how I reached my decision below.

I appreciate it would have been frustrating for Mr W to have transfers stopped and to need to call in to unblock the account. But, given the pattern of account activity immediately prior to the suspension, I think it was reasonable that Halifax's system flagged he might potentially be at risk. A number of different factors would have prompted the bank's intervention here – including, but not limited to, the size and frequency of payments, particularly when compared with expected usage for these types of accounts, and the actual prior activity on them.

This kind of monitoring is done to protect customers, and the bank itself, from fraud and other crime. Halifax does have to strike a balance, though, between looking out for its customers' interests and carrying out their instructions – particularly as the starting position, at least in law, is that banks should be executing payment requests. It wouldn't be desirable or possible for it to screen every transaction either. That said, and while I acknowledge the inconvenience such checks would have caused Mr W, I'm satisfied it was unavoidable here – and Halifax acted fairly when it did intervene, given the risk factors that were evident.

The main driver behind the complaint, as I see it, is not so much that the bank carried out checks – but has more to do with the number of calls and length of time overall it took Mr W to complete his transfers as a result of them. There's no doubt Mr W spent hours across two days either waiting to speak to Halifax or actually speaking to an agent. Halifax has also acknowledged some long wait times and said that it shouldn't have taken that many calls to sort things out. The transfers weren't urgent, going by the reason Mr W gave Halifax, and I haven't seen any evidence the delay in completing them caused a financial loss. But I've factored in the frustration and time wasted due to the long waits he experienced to speak to an agent, when thinking about fair compensation overall. Those were unreasonable, particularly given the nature of the helpline he was attempting to contact.

It was unfortunate that Mr W wasn't able to complete his remaining transfers without needing to call again, but the system operates automatically to flag potential risks – and it wouldn't be possible (or advisable) to turn off that monitoring, even briefly. His circumstances could also have changed in the time since the first round of questioning, though in hindsight that seems unlikely. So, while I understand Mr W's frustration at having to go through the process again, I don't think Halifax were at fault when it later screened another transaction.

Turning to length of time spent talking to Halifax, having listened to all the calls, I find the bank pursued a reasonable line of questioning in the circumstances – and the length of the calls were necessary. Mr W's reluctance to answer the questions would have made it look even more like he was at risk, and so further questioning was reasonable. Scammers commonly tell victims to lie to their bank or give them cover stories to use. I've listened to many calls where a customer is being scammed, and they initially bore all the hallmarks.

On some of the calls Mr W didn't have the required account information to complete the security checks. The fraud team understandably has a higher threshold of information needed for verification, given the circumstances in which they are contacted – and I don't think any of the questions asked were unreasonable. I appreciate Mr W had quite a few accounts with the bank, and can't be expected to have all those details to hand. But he'd spoken to that team after the first transfer was stopped and so would have been on notice it might ask for one of the account numbers when he called the next day.

An agent did at one point incorrectly tell Mr W he wouldn't need his account details when he was connected to the fraud team. I know that would have added to his frustration when that proved not to be the case – and I've included that impact when thinking about the compensation offer. But, overall, I've found that a considerable proportion of the time spent speaking to the agents, and the amount of calls needed, didn't result from errors on the bank's part.

Mr W has a separate complaint that deals with the service received during the calls on the second day, particularly in relation to level of security he was put through. There is some overlap, as he spoke to the fraud team during a couple of them. But in this complaint I've focussed on the process Mr W went through up until he was able to complete his transfers.

There was some poor service – namely the long wait times to get through (and not being able to on the first evening), as well as the incorrect information given at one point about the details he'd need for security. Halifax also didn't send the compensation amount to Mr W following his acceptance of the investigator's view. While the failure to pay resulted in Mr W having to contact us to let us know and some frustration, that low level of additional impact hasn't greatly affected my thoughts on what fair compensation looks like.

Taking into account our overall approach to awards for distress or inconvenience, and the amount of impact Halifax's mistakes are responsible for here – I find the bank's apology and offer of £95 is still reasonable in the circumstances. As that's not yet been paid, I'm directing Halifax to send that promptly (should Mr W accept) in settlement of the complaint.

My final decision

My final decision is I uphold Mr W's complaint about Bank of Scotland plc (trading as Halifax), and direct the bank to pay him the £95 in compensation it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 January 2024.

Ryan Miles
Ombudsman