

The complaint

Mr C complains that Bank of Scotland plc ("Bank of Scotland") blocked an authorised card on his account and did not notify him. This meant that when the cardholder came to use the card, they were unable to complete the transaction and they lost out on an opportunity.

What happened

Mr C held a Bank of Scotland credit card. He had three secondary cards linked to the account, one for each of his adult children. These cards were held for emergency or exceptional use and were not routinely used.

In March 2021, Mr C's daughter had cause to use her authorised card, in order to buy event tickets that were of great sentimental value to her and her family.

She tried to use her card, and the transaction declined. She contacted Mr C, who in turn contacted Bank of Scotland to resolve the issue. Due to the delay in reaching Bank of Scotland Mr C's daughter lost her opportunity to buy the tickets.

When Mr C reached Bank of Scotland, he learned that a block had been placed on Mr C's daughter's card in October 2020 because of unusual activity. Bank of Scotland gave inconsistent advice about whether it had tried to contact Mr C to advise him that the card had been blocked.

Mr C complained. He thought that Bank of Scotland ought to have let him know if a card linked to his account had been blocked, and if it had been he would have been able to confirm that the card was not being misused, and if needed to arrange a replacement.

Bank of Scotland responded to Mr C's complaint and did not uphold his complaint. It pointed to its terms and conditions which explained that it may not always be possible for Bank of Scotland to let card users know that a card had been blocked. It also stated that it was entitled to cancel or suspend use of a card if it considered necessary. Bank of Scotland offered Mr C £100 compensation for his family's inconvenience.

Mr C did not accept this and contacted us.

One of our investigators has looked into this matter and set out his view to the parties. This was that although he could see no evidence that Bank of Scotland tried to contact Mr C after the card was blocked in October 2020, he did not think that Bank of Scotland had breached the terms and conditions. He therefore thought that the offer of £100 was a fair resolution.

Mr C did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in respect of this complaint in April 2022. In that provisional decision I explained that I disagreed with my colleague and I thought that Bank of Scotland ought to have alerted Mr C that his card had been blocked. I thought that Bank of Scotland ought to increase its offer of compensation to £200.

That provisional decision has been shared with the parties and they have been invited to comment.

Bank of Scotland has accepted my provisional decision.

Mr C has made some comments, primarily addressing the background I set out, and responding to the arguments previously put forward by Bank of Scotland.

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 have considered the comments submitted by Mr C and have incorporated these into the background where appropriate.

Mr C comments that he does not accept that Bank of Scotland acted in line with its terms and that it is unrealistic to expect consumers to call before attempting to use their card, or to otherwise know if the card is working unless they are alerted to an issue.

I agree with this and, as set out in my provisional decision, I think that Bank of Scotland ought to have let Mr C know when it placed the block on his daughter's card so that he was able to take action to ensure his daughter still had a working card, as he had intended.

I consider that the failure to do so caused Mr C and his daughter additional distress and inconvenience. I remain of the view set out in my provisional decision and adopt that decision and reasoning as my final decision.

Putting things right

As previously set out, I think Bank of Scotland ought to pay to Mr C £200 compensation for his distress and inconvenience. I appreciate that Bank of Scotland would always have been entitled to reject any transaction, but in this case I think Bank of Scotland not having told Mr C about the block took away his chance to put matters right before his daughter needed to use the card. This caused him significant distress and inconvenience.

My final decision

For the reasons given above, and in my provisional decision, I uphold Mr C's complaint and direct Bank of Scotland plc to pay to Mr C £200 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 June 2022.

Laura Garvin-Smith
Ombudsman