

The complaint

Mr B complains that Bank of Scotland plc trading as Halifax failed to acknowledge and address his concerns after fraud was detected on his credit card account.

What happened

On 17 January 2022 Halifax's fraud detection system identified three transactions on Mr B's credit card account that it needed to confirm had been authorised by him. Automated attempts were made to contact Mr B. Mr B says he tried to call back but ended up waiting in a queue for two and a half hours. Unable to speak to Halifax, Mr B wrote to complain about the delay in getting through to the fraud team and confirmed that the three transactions were not made by him.

Mr B phoned Halifax again on 18 January 2022 and confirmed the transactions had not been made by him. Halifax promised to cancel the transactions, cancel his card, and send him a new one.

Mr B was concerned when on 20 January 2022 he noticed that the transactions were still appearing on his credit card statement. He again tried to contact Halifax but was unable to get through on the phone line so wrote another letter complaining of the delay in dealing with the fraudulent transactions.

Halifax cancelled the unauthorised transactions on Mr B's account on 20 January 2022. It explained that while Mr B's letter dated 17 January 2022 had been passed to the fraud team to deal with, it considered the matter had already been resolved and so didn't respond. Halifax said it has no record of receiving Mr B's second letter dated 20 January 2022 and so it doesn't know if this letter required a response or not.

In April 2022 Mr B contacted Halifax as he'd noticed a recurring transaction on his account relating to a subscription service he didn't recognise. Halifax called Mr B a few days later to discuss this. But there was some confusion during this call as Mr B could not recall raising a complaint about the recurring subscription payment, and thought Halifax was calling about the earlier fraudulent transactions. Mr B said he asked Halifax to ring him back the following day, but it failed to do so. He finally received a call on 5 June 2022, but he was unable to speak and a call was made the following day. Mr B was unhappy that he was then asked to wait in a queue to be transferred to the fraud team. He asked Halifax to call him back when the phonelines were quieter, which it did.

Halifax agreed to investigate the recurring transactions and later accepted they were unauthorised. It refunded the unauthorised transactions plus associated interest in July 2022.

Mr B complained to the Financial Ombudsman as he felt he'd been treated unfairly. He was unhappy Halifax had failed to respond to either of his letters of complaint from January 2022. He was also frustrated that it had been so difficult and time consuming to contact the fraud team. He asked for compensation for the difficulties he'd faced and a refund of interest he'd incurred on his account due to the fraudulent transactions.

Our Investigator considered Mr B's complaint but didn't uphold it. She was satisfied that Halifax had refunded all the fraudulent payments and had adjusted the interest charged. So, she was satisfied Mr B hadn't suffered a direct financial loss due to Halifax's handling of his fraud claims. While she acknowledged Halifax's service had been below the standard we'd expect, she wasn't persuaded the impact on Mr B was such that it was required to compensate him.

Mr B disagreed and asked for the case to be referred to an Ombudsman for a final decision. He didn't consider the Investigator had considered his complaint properly – as she hadn't commented on Halifax's failure to respond to both letters he'd sent in January 2022 or its delay in dealing with the fraudulent transactions that were identified in April. He also remained unhappy with the level of service he received from Halifax.

Before being referred for decision, in an effort to resolve the complaint informally, Halifax offered to refund Mr B's call costs associated with his complaint as a gesture of goodwill. Mr B refused this offer, but our Investigator considered the offer was fair.

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.

Having done so, I've reached the same conclusion as our Investigator and for largely the same reasons. I know this will come as a disappointment to Mr B, so I'd like to explain how I reached this conclusion.

Like our investigator, I'm satisfied that Halifax has reimbursed Mr B for the fraudulent transactions and associated interest. So, I'm satisfied he hasn't suffered a financial loss either because of the fraudulent activity or Halifax's handling of his complaints that he needs to be compensated for.

It's clear the service Mr B received from Halifax wasn't as good as it should have been. It didn't respond to either of his letters and it didn't always call him back when it promised to. When Mr B did receive call backs, he was asked to sit on hold to wait for the fraud department to become available. Halifax has apologised for its service and offered to cover his call costs, but it hasn't offered Mr B any compensation.

As it's been agreed Mr B suffered poor service, I don't need to reach a finding on this. I need to decide whether the impact of Halifax's service was sufficiently serious to warrant a compensatory payment in addition to its offer to refund his call costs.

It's important to point out that the Financial Ombudsman doesn't have the power to punish businesses. So, even though we may find that a business has failed in some way, this doesn't automatically mean the consumer should be compensated.

For me to decide that Halifax should make an award of compensation, I'd need to see that the impact of its mistake on Mr B was more than what someone would expect to experience in everyday life. While I accept Mr B was naturally frustrated and annoyed with Halifax's handling of his concerns, I'm not persuaded it had a greater impact than the level of inconvenience we all experience at times.

I'm also mindful that Mr B would likely have faced some inevitable inconvenience because of the fraudulent activity on his card in any event – and ultimately this wasn't Halifax's fault.

While I appreciate it can be frustrating to have to wait on hold for long periods, Halifax cannot control the number of calls it receives and sadly the rate of fraud and scams being reported to banks is ever increasing, which is adding to the volume of calls received.

I appreciate it must have been frustrating for Mr B not to receive a response to either of his letters from January 2022. But having read his letters it seems his main concern was confirming that he hadn't authorised the transactions and ensuring they were removed from his account statement. Halifax had already assured Mr B when it spoke to him on 18 January 2022 that the transactions would be cancelled, and he would be refunded. And his credit card statement dated 26 January 2022 confirmed that the refunds had been processed as promised. So, I can't see that Mr B was left worrying about this.

Overall, while I empathise with Mr B's frustration, I consider Halifax's offer to refund his call costs to account for longer than average waiting times, is sufficient compensation in the circumstances. And so, I won't be asking it to compensate him further.

My final decision

I uphold this complaint in part and direct Bank of Scotland plc trading as Halifax to refund Mr B's call costs associated with his complaint. I do not make any other award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 October 2022.

Lisa De Noronha
Ombudsman