

The complaint

Mr B is unhappy that Bank of Scotland plc, trading as Halifax, couldn't take payments he wanted to make to his credit card account.

What happened

In July 2022, Mr B called Halifax to pay the balance outstanding on his credit card but was unable to do because of an issue with Halifax's payment system. Mr B wasn't happy about this, so he raised a complaint.

A few weeks later, in August 2022, Mr B was contacted by Halifax who apologised for what happened and offered £42 to Mr B for the trouble and upset he'd incurred. But when Mr B tried to pay his credit card balance later that month, he was still unable to do so. The Halifax agent that Mr B was speaking with when he couldn't make the payment explained that someone from Halifax would call him about his unresolved complaint, but nobody did.

The following month Mr B was again unable to pay his credit card balance, and his credit card was also declined on several occasions when he tried to use it. Exasperated by what was happening, and with Halifax apparently not re-considering his complaint, Mr B referred his complaint to this service.

One of our investigators looked at this complaint and liaised with Halifax and Mr B. Upon review, Halifax accepted that they hadn't reopened Mr B's complaint when they should have done. Halifax also confirmed that the reason Mr B's payments were being rejected was because of a mismatch between the details held for the credit card and the debit card that Mr B was attempting to make the payments from, and that while it had previously been the case that such mismatches could be overridden, changes to security protocols meant this was no longer the case.

Halifax therefore recommended that Mr B confirm that the name and address held on his Halifax credit card match that of the debit card he's using to make the payments. However, because of the poor service Mr B had experienced, Halifax offered to refund the interest charged on the account since 28 July 2022 and remove the adverse credit file reporting Mr B had incurred, as well as pay a further £200 compensation to Mr B.

Our investigator felt Halifax's offer was reasonable. But Mr B remained dissatisfied, so the matter was escalated to an ombudsman 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or

unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

There are two primary points of consideration regarding this complaint. The first is why Mr B couldn't make the payments that he wanted to make. And the second concerns the service Mr B received from Halifax surrounding his being unable to make the payments.

Regarding why Mr B couldn't make the payments, Halifax have confirmed that this is because of a mismatch between the details held for the credit card that Mr B was trying to make payments to, and the debit card that Mr B was attempting to make those payments from. This mismatch could be a difference in the name or address, or it could be a discrepancy in Mr B's name so that it's different on the two cards.

Halifax have also confirmed that it used to be the case that such mismatches could be manually overridden by the agent taking the payment over the phone, but that because of changes to their security protocols this is no longer the case.

It's for a business such as Halifax to set its security protocols, and it isn't within the remit of this service to instruct a business to change them. And given that these protocols apply to all Halifax customers and not just to Mr B, I don't feel that Mr B has been treated unfairly by being subject to them.

Mr B doesn't believe that there is any mismatch between the two cards, and he's provided details of his name and address as listed on his bank account which he feels demonstrates this. However, the name and address details Mr B provided appears to have been for a different account to the one from which he tried to make the payments from. And as such, I don't feel that it does confirm that there is no mismatch between the account details of the two relevant accounts. And, given that Halifax have confirmed that the issue stems from such a mismatch, I feel it's reasonable to conclude that this is most likely the case.

Accordingly, if Mr B would like to make payments to the credit account from the debit card he's recently been unable to use, I can only encourage him to identify the mismatch that Halifax have confirmed is preventing this, and to make the necessary changes to rectify it.

Regarding the service Mr B experienced when he raised his concerns about his inability to make payments from the debit card, Halifax have acknowledged that this wasn't to the standard that they aspire to.

When a business accepts that it hasn't acted fairly, as Halifax have in this instance, it would generally be expected by this service that the business would look to take the steps necessary to return the complaint customer, as much as reasonably possible, to the position they should be in, had the unfair act never occurred.

I think that Halifax's offer to reimburse the interest accrued on the account because the payments weren't made, and to remove the relevant adverse reporting from Mr B's credit file, achieves this. And so, I won't be asking Halifax to take any additional action beyond this.

I also feel the offer of £200 further compensation by Halifax does fairly compensate Mr B for the trouble and upset he's incurred here. In taking this position I've considered the frustration and inconvenience that Mr B has experienced, but also that there are several other channels available to Mr B to make the payments to his credit card, including by direct debit or by faster payment. And I've also considered the general framework which this service uses when assessing compensation amounts – details of which are on this service's website. And having taken all these factors into account, I feel that Halifax's offer of a further £200 is fair.

All of which means that, while I will be upholding this complaint in Mr B's favour, I'll only be doing so to instruct Halifax to take the corrective action that they've already offer to take.

I realise this won't be the outcome Mr B was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Halifax must reimburse the interest that's accrued on Mr B's account from 28 July 2022 and remove the adverse reporting from Mr B's credit file from that same date, as they relate to the monthly payments Mr B was unable to make on his debit card.

No further reimbursements or amendments will be required from Halifax beyond these and it will be for Mr B to then ensure that payments are made to the credit account in line with his contractual obligations.

Halifax must also make a payment of £200 to Mr B.

My final decision

My final decision is that I uphold this complaint against Bank of Scotland plc, trading as Halifax, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 September 2023.

Paul Cooper
Ombudsman