

## The complaint

Mr B complains that Bank of Scotland plc trading as Halifax declined some transactions, he tried to make using his credit card account.

## What happened

I previously issued a provisional decision on this case. It was my intention to come to a different outcome to the Investigator and so I wanted to give both parties the chance to respond with anything else they wanted me to take into account before I came to my final decision on the matter.

I have copied my provisional decision below, which also forms part of this final decision.

*“Mr B says he was on a cruise when he tried to make a payment for a coach ticket to get him home once his holiday had finished. Mr B says the payment went through and he received the ticket by email. However, hours later, Mr B says he received a text message from Halifax to say the transaction had been declined due to fraud checks. Mr B checked with the coach provider that the ticket had been cancelled, to which it responded to say it had. Because he didn’t have a coach ticket, Mr B had to take another route home, which took a long time and wasn’t convenient.*

*A number of weeks later, Mr B saw his credit card statement and found out that the transaction for the coach ticket had gone through the following day after his initial attempts. He was unhappy at how the transaction could have been processed the next day, without his consent – he feels this is fraud and deception. Mr B complains also that he wasn’t told the transaction had gone through when he was communicating with Halifax’s representative. Mr B would like Halifax to refund him £26 for the coach ticket.*

*Mr B also attempted to make a payment for a hotel using his Halifax account. This transaction was declined for further security checks. Mr B says that he was on a cruise and so wasn’t contactable by phone, and he couldn’t respond to text messages. Mr B also tried to use his Halifax debit card to make the payment, but this payment also wasn’t successful – the merchant said this was because the card had expired, which Mr B disputes. Because Halifax hadn’t allowed the payment to go through, Mr B had to rebook the hotel at a later date by which time the price had increased. Mr B would like Halifax to reimburse him the additional cost of the hotel, which he says was £25.*

*In addition to the above, Mr B is unhappy with the service he received from Halifax. In summary, he says that Halifax didn’t respond to his emails and call wait times were very long.*

*Halifax didn’t uphold Mr B’s complaint. It explained that the payments made to the coach provider on 26 March 2023 were declined because the payments weren’t processed using the correct fraud prevention measure. It also said that it didn’t process the payment again on 27 March 2023, and this was a separate transaction. It said that if Mr B didn’t initiate this payment, then he would need to contact the coach company for a refund.*

*In relation to the hotel booking Mr B attempted to make, Halifax said that the payment initially flagged for security checks. It said it tried to call and text message Mr B to verify the payment but because it couldn't get a response from him it declined the payment and blocked the account. Halifax said that when Mr B attempted to make the same payment using his debit card, the transaction was declined by the hotel provider – and it's possible this was because Mr B's stay was after his debit card had expired.*

*Halifax also told Mr B that it has responded to his complaint within the timescales. Unhappy with Halifax's response, Mr B brought his complaint to this service.*

*The Investigator considered all of the information provided by both parties, however they didn't think Mr B's complaint should be upheld. Mr B didn't agree with the Investigator and so the complaint has been passed to me to make a decision on the matter.*

*What I've provisionally 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 considered all the information available to me, I intend to uphold Mr B's complaint in part. I hope Mr B won't be too disappointed that I'm not upholding his case as far as I understand he would like me to. The reason I've decided to partly uphold the complaint is because I think Halifax could have been clearer with some of the information it gave Mr B, which I can see from Mr B's submissions has clearly and understandably caused him some concern.*

*The Financial Ombudsman Service can only consider complaints about financial businesses. In this decision, I can only consider the actions of Halifax – and whether it acted fairly and reasonably in relation to Mr B's complaint. I can't consider or make a finding on any possible wrongdoing of any other company in connection with the issues Mr B has raised.*

*In my view, the crux of Mr B's complaint falls into three distinct categories, and so I've considered these separately below:*

#### *Coach ticket*

*Based on the information I have seen, there were four attempts made on 26 March 2023 to purchase a coach ticket. Halifax has provided me with evidence to show that three of these transactions were declined because the coach company didn't process the transaction using the correct fraud prevention measures. I can't fairly say that Halifax did anything wrong in not allowing these payment attempts to go through, given that it has a responsibility to ensure that all payments made from the account are verified in the right way. And because the fraud prevention measures weren't followed, I don't think it was unreasonable of Halifax to decline these transactions.*

*Mr B said that after he made one of the payments on 26 March 2023, it appeared to have gone through and he received an email from the coach company with confirmation of his ticket. But shortly after this, he received a text message from Halifax to let him know the payment hadn't gone through.*

*Based on the information I've seen from Halifax's internal systems, and more recent confirmation from Halifax, Halifax did approve one of the payments Mr B attempted on 26 March 2023. So, there was no payment approved by Halifax the following day. Halifax say the coach company processed the payment the following day, which is why the transaction is showing on Mr B's statement on 27 March 2023.*

*This particular point has caused Mr B a lot of concern. I can see Halifax told Mr B that this was a separate transaction, processed and authorised on 27 March 2023. And that this transaction was separate to those that had been attempted the previous day. It told him to contact the coach company about it if he didn't make the transaction. It appears that this information has, understandably, led Mr B to believe that transactions are being processed on his account without his consent. I don't think that is what has happened here, but I do think that if Halifax had been clearer in what it told Mr B, then it would have saved Mr B a lot of worry and frustration. And for this reason, I'm currently planning to say Halifax should pay Mr B £150 for the distress and inconvenience this misleading information has had on him.*

*I note that Mr B says he received a text message from Halifax to say that the transactions to the coach company had been declined. While I accept that this must have been confusing, given that one of the transactions had in fact gone through, some of the transactions had been declined, so I don't find that Halifax sent the text message incorrectly. Although I can understand why this has caused confusion.*

*In relation to the cost of the ticket itself, I'm not going to ask Halifax to reimburse this to Mr B. I appreciate that the information the coach company gave to Mr B implied that if his payment hadn't gone through then the ticket would be cancelled. But the payment did go through. Because of this, I can't hold Halifax responsible for the coach company either cancelling the ticket when it had in fact received a payment or for providing him with misleading information by implying the ticket was cancelled.*

*I have noted though that Mr B received a refund to his account from the coach company on 14 May 2023 for £26. It isn't clear if this is a refund for the ticket this complaint relates to or not. If it isn't, then I suggest that in the first instance, Mr B contacts the coach company for a refund. If this isn't successful, then he might be able to raise a payment dispute with Halifax.*

#### Hotel booking

*Mr B attempted to make a booking for a hotel at the cost of £88 – he attempted this transaction on 26 March 2023. I've seen evidence to show that this transaction was flagged by Halifax's fraud systems for verification. And I've also seen evidence to show that Halifax made many attempts to contact Mr B about the transaction by both phone and text message. Because Halifax couldn't verify the transaction with Mr B, it blocked his account until it could speak to him.*

*I accept that this must have been very frustrating for Mr B – especially given that he couldn't receive calls or send text messages while he was away on his cruise. However, Halifax has security procedures in place to protect both itself and its customers from fraud. And so I don't find that it was unreasonable of Halifax to have declined the transaction and blocked his account when it couldn't get in touch with him.*

*I can also see that Mr B tried to make the same transaction using his debit card which was also declined. Mr B says that when it was declined, he was told this was because his card had expired, when he said that it was due to expire the following month. Halifax say that the transaction was declined by the merchant. Again, I can understand how frustrating this must have been for Mr B, but I haven't seen any evidence to persuade me that it was Halifax that declined the transaction. I find its explanation for why the transaction might have been declined by the hotel provider to be reasonable, and so I can't fairly say Halifax has done anything wrong here. Because of this, I won't be asking it to pay Mr B the difference between the cost of the room he tried to book, and the cost he had to pay at a later date.*

#### Customer service

*I can see that Mr B has sent Halifax a number of emails. And it hasn't responded to Mr B in the way he wanted it to. Halifax has said that it doesn't respond to complaint points by email. It has also sent information to suggest that this is for security reasons. I don't find Halifax's explanation as to why it didn't respond to Mr B by email to be unreasonable. Account information and personal details are sensitive, and so I can understand why it couldn't do this for security reasons. Halifax explained it attached Mr B's emails to his complaint and considered these when it responded to his complaint.*

*It's understandable that Mr B was frustrated by this – especially when, in his view, Halifax could have told him information about the payment to the coach company much sooner than him seeing it on his statement. I can see that Halifax did offer to call Mr B at a time that suited him, to avoid him having to wait in a queue. It isn't clear if Mr B took Halifax up on this offer of a call back or not – but I feel that the offer of a phone call was a reasonable solution.”*

Mr B responded to the provisional decision to say that he accepted the resolution. However, he added that he had a phone call with Halifax after the payment was collected for the coach ticket, but before his statement was produced. And so, someone could have told him on this call that the payment had been made to the coach company.

Halifax also responded to the provisional decision to say it accepted the resolution.

### **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.

Given that both parties accept the resolution as outlined in my provisional decision, I see no reason to depart from the findings made in the provisional decision. It follows that I will be upholding Mr B's complaint for the same reasons as outlined in the provisional decision.

In response to Mr B's point, I agree that if he had spoken to Halifax on the phone, it would have been better service if he had been told about the coach payment. However, I think the £150 is still a fair way to compensate Mr B for the things Halifax could have done better.

### **Putting things right**

Halifax should put things right for Mr B by paying him £150 for the distress and inconvenience caused to him as a result of the misleading information it provided him with.

### **My final decision**

For the reasons set out above, it is my decision to uphold Mr B's complaint. I order Bank of Scotland plc trading as Halifax to put things right for Mr B by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 September 2023.

Sophie Wilkinson  
**Ombudsman**