

The complaint

Miss L complains that Bank of Scotland plc trading as Halifax blocked her account while she was on holiday, ruining her trip.

What happened

Miss L holds a current account with Halifax. In 2022 she travelled abroad for a shopping trip. She planned to use her Halifax debit card for purchases while she was away and had sufficient funds in her account. She says she spent a day window shopping and researching where would be the best place to buy from. The next day, she planned to make her purchases. The shop she had selected was some distance from her hotel and it took her one and a half hours to get there. Miss L says that, when she got there, she selected items to buy and attempted to pay with her debit card. But the payment was declined.

Miss L received a text message from Halifax asking her to confirm if the payment was genuine. The message said "*This payment was declined. If this was you please reply YES, otherwise please reply NO*". Miss L replied "YES" and received a further message telling her to wait ten minutes then try making the payment again. But the payment still didn't go through and Miss L received a further message asking her to call Halifax.

Miss L says she spent around six hours on the phone to Halifax trying to resolve the issue. She says that the call waiting times were excessive and that, when she did get through, she was passed around to several different agents. She also says she was told several times that the card would be ready to use again but, when she tried, her account was still blocked.

Miss L says this all took up so much time that she didn't even have chance to eat. She says her phone ran out of charge, so she had to make the long journey back to her hotel. She then returned to the shop, only for the payment to be declined again. Miss L says that, by the time her account was unblocked, all the shops were closing and she didn't manage to buy the items she wanted.

The situation caused her a great deal of stress and sadness. She feels that the whole trip was wasted, including the cost of the flights and hotel, as she wasn't able to do the shopping she'd gone for. She understands that Halifax has to carry out security checks. But she says it shouldn't have taken so long to resolve the issue. She raised a complaint with Halifax at the time and asked it to cover the cost of her holiday.

Halifax said it hadn't made a mistake by blocking Miss L's account. But it accepted that the level of service and time taken to deal with the issue fell below the expected standard. It offered Miss L £360 to cover her international call costs and £200 for the inconvenience she'd experienced (£560 in total). Miss L declined this offer and asked this service to look at the complaint.

Our Investigator thought Halifax's offer of £360 for the call costs was fair. But he thought it should pay Miss L £300 (rather than the £200 it had offered) for distress and inconvenience. Halifax agreed to this. But Miss L didn't think it was enough given the amount of time she'd spent on the phone to Halifax. She says the whole day was wasted and the purpose of the

entire trip had been the shopping, which she wasn't able to do because of Halifax's actions. She asked for the complaint to be reviewed by an Ombudsman.

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.

The starting point is that it's right for Halifax to have security measures and procedures in place to safeguard customers' accounts. Miss L accepts that. The terms and conditions of her account allow Halifax to stop payments if it thinks this is necessary to keep her account secure or if it suspects fraud. The terms say that Halifax can make additional security checks, investigate further or speak to Miss L. I think it was reasonable for Halifax to block Miss L's account here and ask her to call about the payment.

It's in the nature of checks like this that they sometimes cause some inconvenience to customers. But Miss L says the inconvenience to her was excessive due to the amount of time she had to spend on the phone (which included long periods waiting for calls to be answered) and the fact she was passed to multiple advisers and had to keep calling back. She says Halifax should have been able to deal with the issue much more quickly. Halifax agrees that the service Miss L received was below its usual standard. It accepts that it needs to pay her some redress. The unresolved issue here is the amount of that redress, so that's what I'll focus on.

Firstly, there are the costs Miss L incurred making international phone calls to Halifax. I think Halifax should reimburse these and it has already offered to do so. Halifax accepts that Miss L spent up to six hours on the phone and it has offered £360. Miss L rejected this offer, but she hasn't provided details of the actual call charges or evidence that they were more than this. So, I think Halifax's offer of £360 for this part of the redress is fair.

Miss L also seeks to recover the cost of her flights and hotel as she feels the whole trip was wasted. Miss L had a three-night stay abroad, of which around six hours were taken up by the account issues. I'll consider the distress and inconvenience of this below. But I don't think it would be reasonable to ask Halifax to pay for the flights and hotel. The account was operational for most of Miss L's time away.

But Miss L says the shopping was the reason for her trip, so being unable to do it ruined the whole trip. I don't think Halifax could have known that. And, even if it could have foreseen it, I don't think it was responsible for all the issues Miss L encountered. She says she wouldn't be upset if she'd managed to buy the items she wanted. I don't have full details of her schedule but, from the timing of her return flight, it appears there was time for her to go back to the shop. I realise it was quite a long way from her hotel, but that wasn't Halifax's fault.

It was also Miss L's own decision to travel abroad taking just one debit card as her means of paying for shopping. I don't think that was wise. And I note that Halifax's website advises customers to take another form of payment with them.

For these reasons, I'm not going to ask Halifax to reimburse Miss L's flight or hotel costs.

But I do think it needs to pay her some compensation for the distress and inconvenience this issue clearly caused. Miss L suffered stress and inconvenience over a few hours as well as upset, embarrassment and disappointment. She says the trip was also a waste of her holiday time. Although we don't make specific awards for someone's time, I have taken into account that Miss L didn't get to use all of her holiday time how she wanted, which contributed to her distress.

I think Halifax should pay Miss L £300 for the distress and inconvenience she suffered. I realise this is less than Miss L would like and I'm sorry to disappoint her. But, having considered everything carefully, I think this amount reflects the impact of what Halifax did wrong. So, I'm going to direct Halifax to pay £300 in addition to the £360 for call costs.

My final decision

For the reasons above, I uphold this complaint. Bank of Scotland plc trading as Halifax should pay £660 to Miss L.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 14 February 2024.

Katy Kidd
Ombudsman